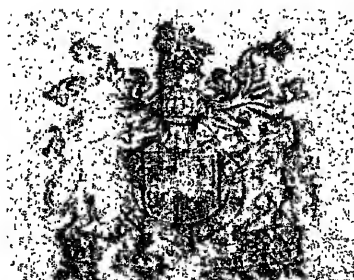


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BUDGET FOR 1924-25



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BUDGET FOR 1924-25



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GOVERNMENT OF INDIA
FINANCE DEPARTMENT

BUDGET FOR 1924-25.

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Speech of the Finance Member

INTRODUCING THE

BUDGET FOR 1924-25.

INTRODUCTORY.

SIR,

If precedent had been followed, I should not now be opening my Budget. It has been the practice in past years for the financial statement to be made on the morning of the 1st of March, and to be followed immediately by a motion for leave to introduce the Finance Bill. This year, I propose to introduce the Finance Bill on the 1st of March as usual: but I make my financial statement to-night out of regard for the convenience of almost every one concerned, except perhaps the Finance Member. The commercial community will be glad of the opportunity to study the budget announcements overnight instead of in the middle of a busy day; and I am also glad to be able to afford some slight relief to the devoted band of officials who, on past occasions, have been kept at work all night in order to bring a new financial statement safely into the world in the morning. I am told that a record is being created in the presentation of the Government of India's Budget on the 29th February. But the choice of February 29th has no significance except that it happens this year to be the day before the 1st of March. The suspicion that to-day was chosen in order to enable us to impose taxes, which are annual taxes, until the 29th February, 1928 is, I hasten to assure the House, unfounded.

2. I had occasion a year ago to lament that I could not give exact figures for 1922-23 and had to be content with what I described as nothing more than a second guess, on the basis of nine or ten months' figures, of what the actual outturn would be of the Budget for the year then about to close. I had even better reason than I knew for this complaint. The figures which I then gave for 1922-23 showed revenue at a total of 121 crores and expenditure at a total of 138½ crores, leaving a deficit of 17½ crores. The actual figures show that I over-stated the deficit by no less than 2½ crores. Revenue amounted to 121.41 crores and expenditure to 136.43 crores, leaving a deficit of 15.02 crores. The improvement was mainly under the head of Military Expenditure, where, in addition to other minor improvements, a sum of £800,000 provided as the Indian share of the cost of disbanding surplus troops was not, in the end, utilised. In view of this important difference between the revised Budget figure, to which some prominence is given in the annual Budget Statement, and the actual outturn, which receives practically no publicity, there will be bound up and circulated with the Budget speech a comparative table showing the actual outturn for each of the last ten years, which will, I think, be convenient to those who desire to study our finances.

3. My inability to present anything more than a second guess is even more vexing this year than it was a year ago. Last year, unhappily, the only question was how large the actual deficit would be; this year it may well be that the progress of revenue and expenditure in the last two months of the year may make all the difference between a surplus and a deficit on ordinary revenue. In every year but two of the last ten years the final outturn of the year has proved more favourable than the revised budget estimates have indicated.

4. The Budget estimates as finally settled a year ago provided for a surplus of 81 lakhs. The estimated revenue amounted to 134.90 crores and the estimated expenditure to 134.09 crores. I warned the House more than once that neither on the revenue nor on the expenditure side could the figures in the Budget estimates be counted upon with any great assurance. The revenue figures were arrived at

in a spirit of some optimism as to the prosperity of trade and commerce not altogether justified in the light of European conditions, while the expenditure figures assumed that we should succeed in introducing and giving full effect to retrenchments recommended by the Incheape Committee with much greater rapidity than a cautious Finance Member could promise. The information available at the present date makes it clear that our revenue estimates were unduly sanguine. On the other hand, I am glad to be able to inform the House that we have succeeded in reducing expenditure to a figure considerably below the Budget estimate. The present indications are that the total revenue will amount to 129.52 crores as against an estimate of 131.90 crores and the total expenditure to 129.90 crores as against an estimate of 131.09 crores, leaving a deficit on ordinary revenue of 38 lakhs. I leave out of account a windfall, of which I shall have more to say later. I mention it here only in order to bring out the happy fact that, while the margin between ordinary revenue and expenditure, on the basis of our revised Budget, is so narrow as to make it impossible, till final figures are available, to say for certain whether there is a surplus or a deficit, we are (even on the most unfavourable assumption) sure of a considerable realised surplus after taking extraordinary revenue into account.

REVIEW OF THE YEAR 1923-24.

Revenue.

General

5. As in 1922-23, so in 1923-24, we based our estimates on hopes not indeed of a boom in trade, but of a steady revival of which there seemed to be some signs early in the year. These hopes have, once again, not been fulfilled, although it seems likely that there will be in 1923-24 a record surplus of exports over imports. During the first ten months of the financial year, the surplus in value of exports of merchandise amounts to 103.47 crores as against 62½ crores in the corresponding period last year and an adverse balance of 29.60 crores the year before. The net imports of bullion, although substantial, have not reached the figures of 1922-23, with the result that there remains a net balance after allowing for bullion of 63.42 crores in favour of India as against 20½ crores a year ago and an adverse balance of 33 crores in the first ten months of 1921-22.

6. The volume of our export trade has continued to expand. The chief increase is under grain and pulse, where it amounts to 600,000 tons in the first nine months of 1923-24, due almost entirely to a resumption of exports of wheat; but with scarcely any exception every class of goods shows some increase. This is true of imports also, which show a serious decline in two cases only. In one of these the House will be specially interested. The imports of coal into India fell by exactly a third, or by 284,000 tons in the first nine months of the current year when compared with those of the corresponding period of 1922-23. "Grey twist and yarn" and "Grey piece-goods" also declined, but the quantity of practically every other class of imports has increased, while at the same time there has usually been a small fall in values. The year has been one of fairly steady, though at times difficult, trade, but favourable to India in the balance.

7. Prices of Indian products have on the whole remained remarkably steady throughout the year, with the exception of raw cotton which, owing to the uncertainty and the eventual shortage of the American supply, has been subject to considerable fluctuation. In November 1923 cotton prices reached their highest level since 1918. This has inevitably reacted upon the activities of the cotton industry. Food grains, on the other hand, have fallen steadily since April and the wholesale price of cereals in Calcutta in December last was only 5 per cent. above the level at the end of July 1914. Sugar showed a tendency to advance, whilst tea has been obtaining record prices. The prices of raw jute have been consistently below those prevailing at the similar periods in the preceding year.

The close of 1923 was characterised by somewhat firmer prices for raw materials in the chief markets of the world, and it is fair to say that there is a greater sense of security among producers and merchants than at this time last year. The period of large returns has, however, passed and several industries have still to adjust themselves further to lower rates of profit.

8. The slow recovery of trade and the fall in prices of imported articles have resulted in our being once again disappointed in our Customs receipts. The actual figures for Customs receipts up to the end of January point to a net revenue for the year of 40.42 crores as compared with the Budget estimate of 45.10 crores. *Sugar* provides 1.15 lakhs less revenue than we had anticipated, and it is evident that under this head insufficient allowance was made for the reduced tariff valuation. While the volume of imports of other articles has in most cases not been unsatisfactory, the amount collected on account of our *ad valorem* duties has declined. We anticipate a decrease of 73 lakhs under imports of *piece goods*, 58 lakhs under *metals*, and 35 lakhs under *cutlery and hardware*, while owing to adverse conditions in the Bombay mill-industry the *excise duty* on *cotton manufactures* will fall short of the Budget by 38 lakhs. Customs.

9. To the extent of about 50 lakhs the failure of Customs revenue to fulfil our expectations is due to the decision of the Bombay High Court that stores imported by Railway Companies working State lines come under the definition of "Government stores" and have to be passed free of duty. An appeal has been preferred to the Privy Council against this judgment. If we are successful, we shall recover 50 lakhs from the Company managed Railways which will go to the Revenue side of the Budget of 1923-24. If, however, we are not successful, we shall not only fail to realise the 50 lakhs in question but we shall have to pay to the Railway Companies a further sum, estimated at about 2 crores, by way of refund of duty collected from them after the definition of "Government stores" on which we had always hitherto acted was brought into question before the Courts.

10. The Budget estimate of gross receipts from Railways was placed at 95.57 crores. During the earlier part of the financial year the published figures of weekly earnings were unsatisfactory. They were considerably affected during the monsoon and again in December by breaches in important lines due to flood and storm. Since the middle of December, however, there has been a striking improvement in gross receipts which enables us to place our estimate for the whole year at the figure of 94.22 crores, which is only 1½ crore less than the Budget estimate. On the other hand, we have effected a material reduction in working expenses and, in addition, the outgoings under the head of Programme Revenue expenditure have been less than we expected, and I may add, less than is really desirable in the interests of our Railway properties. The total saving in working expenses, as compared with the Budget, amounts to 1.93 crores. We thus anticipate an improvement of 58 lakhs in our net receipts Railways.

11. Opium receipts exceed the estimate by 38 lakhs, but there is a decline of 22 lakhs in the net gain to Central revenues from the Posts and Telegraphs Department. Opium. Posts and Telegraphs.

Under the heads of "Interest", "Currency" and "Miscellaneous", there is an improvement of 1.42 lakhs, largely due to the higher price for short money in London and to the fact that favourable opportunities for remittance have enabled us to build up large reserves in sterling which will be very useful to us during the coming year. Interest, Currency, etc.

12. Honourable Members will not suspect me of forgetting Salt. The Budget provided for a total salt revenue of 11½ crores, including the additional 4½ crores expected from the doubling of the duty. Circumstances which are not unfamiliar have had the effect of seriously interfering with the normal progress of salt revenue during the year. To begin with, there were very large issues of salt during January and February 1923 in anticipation of the enhancement of the duty. The hope of profiting by a reduction in duty in 1924-25 has now led traders, especially in Northern India, to reduce their stocks as far as possible. An examination of past statistics shows that the issues against consumption in a normal year would amount at the present time to approximately 4.95 lakhs of maunds. The actual issues for 1923-24 are expected to amount to about 3.80 lakhs of maunds. The over-issue during January and February 1923 may be put at approximately 36 lakhs of maunds, so that something like 80 lakhs of maunds represents the amount of salt which would have been issued but for the anticipation of a reduction of duty in the present Budget. I may add that I have been unable to find any evidence that the restricted issues have been accompanied by any reduction in actual consumption. In the result, we now anticipate that our total revenue from salt in 1923-24 will amount to 8½ crores, which is 3 crores less than the estimate. Salt.

BUDGET FOR 1924-25

Expenditure.

Opium

13. The only important excess of expenditure over the estimate occurs under the head "Opium". It will be remembered that a supplementary grant of 77 lakhs was voted during the July Session to enable us to meet an excess of payments to cultivators in the United Provinces and in the Central India States due to an increase in the output of the last crop. It is now expected that the excess will actually amount to 70 lakhs.

Discount on
Treasury Bills
Interest on
Loans

14. There has been a substantial saving on the Budget provision for discount on Treasury Bills which reflects the great improvement in our ways and means position. On the 31st March 1922, Treasury Bills outstanding with the public reached the formidable total of 5 crores. This figure had been reduced to 22 crores on the 31st March 1923. On the 31st March 1924 it will be approximately 2 crores. It is not necessary for me to emphasise the great gain to our financial security which these figures disclose. With a large amount of debt maturing from day to day, all within a few months, we were in a serious position if any unhappy emergency had arisen. The Finance Department's constant anxiety was to know how to find the money if Treasury Bills had to be repaid, and they were often at the mercy of the market if the bills had to be renewed. The market also appreciates its release from constant demands by the Government for short money. Indeed, such is the perversity of human nature that the complaint now tends to be that there are not enough Treasury Bills to go round. The favourable rate at which the current year's rupee loan was issued has also resulted in a saving on the Budget provision for charges connected with new loans. There has been a small excess in the provision for new sterling loans owing to our having raised 18 million pounds in London instead of the 15 million pounds tentatively entered in the Budget statement. On the whole, we expect a saving of 74 lakhs in the gross interest charges on our debt.

Sinking funds

15. Under the head of sinking funds, there is a net saving of 80 lakhs, as we have found it unnecessary, owing to the improved state of the Government securities market, to use any portion of the additional provision of 80 lakhs which has been made during the last few years for supporting the two long-term 5 per cent. rupee loans.

Military expenditure.

16. The Budget estimates of Military expenditure for 1923-24 amounted to 65.05 crores gross and 62 crores net. As has already been announced to the House, full effect has now been given to the reductions in British troops proposed by the Retrenchment Committee except in the case of one cavalry regiment and, though the full resulting economies will not accrue until 1924-25, His Excellency the Commander-in-Chief has found it possible by means of various economies to reduce the established charges of the Military services for 1923-24 to 60½ crores as against the figure of 61.94 crores included in the original estimate. A non-recurrent credit of 2½ crores from consumption or disposal of surplus stores was provided for in accordance with the recommendations of the Retrenchment Committee. The actual credit will amount to approximately 3 crores. On the other hand, the latest estimate of special expenditure in Waziristan is about 2 crores as against the figure of 1.69 crores included in the Budget. Gratuities, etc., for demobilised officers, for which 62 lakhs was provided, will cost us 1½ crores.

17. All these figures include sterling expenditure converted into rupees at 150%, and on this basis the revised Military estimate stands at 60.20 crores net. From this total a sum of 46 lakhs has to be deducted representing the saving under the head of Exchange, making the net figure 59.74 crores—a total saving of 2,26 lakhs or, if exchange be excluded, of 1,80 lakhs.

18. The non-recurrent saving of 3 crores in respect of stores has of course been a prominent factor in keeping down our Military expenditure in 1923-24. Our position has also been materially assisted by a non-recurrent receipt of 41 lakhs. During the war temporary lines were constructed for a number of Indian Battalions raised for the British Government, and the cost of these lines was charged to the British Government. Since the termination of the war the lines have been gradually disposed of, but the British Government have only recently accepted our contention that the sale-proceeds belong to the Indian exchequer in consequence of the arrangement arrived at when the further contribution towards the expenses of the war was agreed to by India.

BUDGET FOR 1924-25.

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19. There has also been a saving of $\frac{1}{2}$ crore under other heads of Civil Expenditure, but the largest saving on the expenditure side occurs under the head "Exchange." The rate of exchange has, except for a few days, stood above the figure of 1s. 4d. assumed for the purposes of the Budget for 1923-24. It has stood above 1s. 5d. almost continuously since November and the average rate for the current financial year is expected to work out to approximately 1s. 4½d. The resultant saving in net expenditure outside India, including Military expenditure and expenditure on commercial services chargeable to revenue, amounts to 128 lakhs. In addition, there is a saving in exchange of approximately 50 lakhs in respect of capital expenditure.

20. The above variations in revenue and expenditure are summarised below :— Summary.

	(In lakhs of rupees)	
	(+ Better)	(- Worse)
Customs revenue, less		4 68
Salt revenue, less		3,05
Opium revenue, more	38	
Net receipts from Railways, more	58	
Net receipts from Posts and Telegraphs less (62 lakhs of the deterioration is nominal, due to the debit to the Department for the first time of the cost of pensions and to payment made for the stock of postage and telegraph stamps which have now been taken over by the Department)		1,24
Interest, Currency and Miscellaneous receipts, more	1,42	
Military receipts, more	1,17	
Loss by exchange on revenue realised in England as compared with 1s. 4d. rate assumed for Budget		13
Minor variations	17	
Total	3,72	9,10
Net deterioration in revenue	-5,38	
Opium expenditure, more		70
Saving under expenditure on stamps and superannuation allowances and pensions owing to transfers to the Posts and Telegraphs Department (see explanation above under Posts and Telegraphs receipts)	62	
Saving in interest chargeable to Posts and Telegraphs and in capital outlay of the Department charged to revenue	40	
Saving in gross interest payments	74	
Smaller interest recoveries from Provincial Governments		25
Saving in provision for sinking funds	80	
Saving in gross Military expenditure	63	
Saving in exchange on gross expenditure in England as compared with 1s. 4d. rate assumed for Budget	1,41	
Minor variations (mainly savings in Civil expenditure)	54	
Total	5,14	95
Not saving in expenditure	+4,19	
Net deterioration on Budget anticipations	-1,19	
Surplus in Budget	81	
Deficit now anticipated	38	

Realised Surplus.

21. So far I have been dealing only with ordinary revenue and expenditure. Windfall. The figures are so nearly equal that, although they point to a small deficit, it would not be surprising to find that the final figures show, after all, a small surplus on the ordinary Budget. We have, however, been fortunate enough to come in for a valuable legacy. There are certain sums which have for some time been lying in suspense and which represent the profits from the control of enemy ships and similar items. It has not hitherto been possible to say how much, if any, of these sums could be credited to Indian revenues. A great number of intricate problems had to be cleared up first and even to-day there is still some possibility of counter-claims being established against a portion of the amounts in question. But we are

able to say with fair certainty that £3½ millions (equivalent at 1s. 4½d. to 4.73 crores) representing profits from the control of enemy ships belong to India. Out of this sum the Government of India propose to reserve 25 lakhs for the payment of *ex gratia* grants to private individuals in consideration of losses suffered through enemy action. If the whole of the remainder of this windfall were credited to the revenue of 1923-24, there would be a surplus (including both ordinary and extraordinary revenue) of over 1 crore after allowing for the deficit of 38 lakhs provisionally entered on ordinary account.

22. In the absence of any special arrangement this surplus would, in the ordinary course, go automatically to debt reduction, and, in view of the deficits of previous years, it is clearly desirable that as much of it as possible should be so applied. An item of extraordinary revenue of this sort ought not to be used for meeting ordinary recurrent expenditure or, indeed, any expenditure normally chargeable against ordinary revenue. We have, however, still to provide the means of meeting the special charge of 2 crores for repayment to the Railways of customs duty on imported railway materials if the case goes against us in the Privy Council. This expenditure is, indeed, part of the expenditure properly chargeable to 1923-24 if it eventually has to be incurred. I therefore propose to retain 2 crores out of the available surplus temporarily in suspense pending the decision of the Privy Council. The remainder of the surplus, estimated at present at approximately 2.06 lakhs, will be applied automatically to the reduction or avoidance of new borrowings for capital expenditure.

GENERAL.

23. I do not propose to go again over the ground which I covered a year ago in reviewing the position of India's finances at the close of 1922-23. Broadly speaking it may be said that both in the provinces and in the Central Government the era of unbalanced budgets has now been brought to an end. We have got rid of practically all our embarrassments in regard to floating debt and can face the necessity of meeting short-term bonds which mature in the next few years with confidence. There is no longer any fear of our being forced to undesirable expedients, such as currency inflation, in order to meet our outgoings. And if the time has not yet come at which we can replace the present statutory, but inoperative, ratio of 2s. gold to the Rupee by an effective ratio, this is due not to our inability to maintain our currency in a sound condition but to a continuance of economic instability in other parts of the world, which makes immediate stabilisation unattractive.

24. The improvement in our position is happily reflected in the improved market price of all our rupee securities. On the 15th February 1923, the 5 per cent. tax-free loan 1945-55 was quoted at Rs8-10; on the 17th February 1924, it was quoted at Rs98. The quotation for the 5 per cent. loan 1929-47 has risen in the same period from Rs2-10 to Rs3-2. In 1923 we were able for the first time since 1919 to raise money by a long-term issue, and the improved quotations which I have mentioned give us good reason to hope that we may do even better in 1924-25. More important still, the general improvement in our position should enable us, as I shall show later on when I come to the Ways and Means Budget for the coming year, to avoid any new borrowing in London.

Post Office Cash
Certificates.

25. One striking feature of the year 1923-24 is the increased popularity of our Post Office Cash Certificates. Originally issued in 1917, these certificates, thanks to a strenuous campaign for saving, were taken by the small investor to a total of 8 crores net during the period ending 31st March 1919. From that time onwards, year by year, repayments considerably exceeded new purchases and on the 31st March 1923 the total outstanding had been reduced to 3 crores. There is nothing which will give a greater stimulus to economic progress in India than the extension of the saving habit. The year 1923-24 has seen a very hopeful development in this direction. From the 1st April 1923 the terms on which Post Office Cash Certificates were issued were improved, so that they now offer a net yield of 6 per cent. compound interest to those who hold them till maturity. At the same time as the issue of new certificates began, endeavours were made in various directions to popularise them, with the result that during the ten months ending the 31st January 1924 a total of 6 crores gross and 4½ crores net (after allowing for repayments) was invested in this way to the great advantage both of the small investor who lent us the money and of the

Government of India who borrowed it, as well as of the Indian people as a whole who are richer individually by the amount of their savings and collectively by the productive capital assets in which these savings have been invested. It may shortly be necessary to reconsider the terms on which cash certificates are issued if, as seems probable, the Government of India are able to place rupee loans in the open market on terms which show a considerable improvement on the yield of about $5\frac{1}{4}$ per cent. subject to tax at which last year's loans were issued. But it is my earnest hope, and I trust that all Members of the Legislature will use their influence in the same direction, that the habit of investing in Post Office Cash Certificates will go on spreading throughout India and that both the number of small investors who take to the habit and the aggregate volume of their purchases will go on increasing.

26. The holders of all our securities in India have benefited by the general improvement in the outlook for Government finance, and not least those holders of our $3\frac{1}{2}$ per cent. rupee debt who bought or subscribed for that stock before the war at or near par. It will be remembered that the question of doing something to assist such holders was carefully examined a few years ago. But the conclusion reached, and indeed it was the only possible conclusion, was that the sound and sure way of alleviating their position is to restore the general stability of our finances. The rise in the quotation of the $3\frac{1}{2}$ per cent. rupee paper from its lowest point of Rs2 to a maximum figure of Rs66-2 during 1923, and the further rise which occurred early this month, when seasonal influences might have been expected to depress the price, is an earnest of what we may hope will prove a permanent recovery.

Debt.

27. I now come to our debt position. The figures which I am about to give are in a new form which is, I think, more comprehensive and accurate than the form hitherto adopted. The total debt of the Government of India on the 31st March 1924 will be constituted as follows :—

		(R Lakhs.)
In India—		
Loans	3,58,79	
Treasury Bills in the hands of the public	2,13	
Total in India		3,60,92
In England (at R15)—		
Loans	3,64,22	
War contribution	28,90	
Total in England		3,93,12
Unfunded—		
Post Office Savings Banks	24,87	
Cash Certificates	8,51	
Provident Funds, etc.	39,97	
Total unfunded		73,35
Add—		8,27,89
The Capital value of the liabilities undergoing redemption by way of Terminable Railway Annuities, amounting, on 31st March 1924, to £60,095,485, or at R15		90,14
Total debt		9,17,53

I have excluded Treasury Bills, amounting to 49.65 crores, held in the Paper Currency Reserve, as these represent a liability not entirely comparable to ordinary public debt. If, however, they are included, the gross total of the debt amounts to 9,67.18 crores. The corresponding total on the 31st March 1923 was 9,29.53 crores including a similar total of 49.65 crores of Treasury Bills in the Currency Reserve and 8,79.90 crores excluding those Treasury Bills.

28. Of the total on the 31st March 1924, 11.88 crores are due to the discount at which some of the loans were issued. This liability is treated as an interest charge under our system of book-keeping and is being extinguished by annual appropriations from revenue within the period of each loan. It should therefore be excluded from our total debt figure, which is thus reduced to 9,05.65 crores. Of this, 5,78.89 crores are classed as

productive debt and 2,28.45 crores as unproductive debt. The balance of 98.81 crores represents loans to Provincial Governments. These figures compare with 5,55.07 crores of productive debt and 2,29.11 crores of unproductive debt a year ago and 87.49 crores of loans to Provincial Governments. The rupee debt, which stood at 4,23.98 crores on the 31st March 1923, amounts to 4,34.27 crores on the 31st March 1924, while the sterling debt has risen from 30.4 million pounds on the 31st March 1923 to 322½ million pounds on the 31st March 1924.

Proposals for debt
redemption

29. This brings me to the general question of the provision made annually in our expenditure for sinking funds. So long as we have a considerable annual programme of new productive capital expenditure, any provision for sinking funds operates, not to reduce the net total of our debt, but to reduce the amount of it which is unproductive, and the amount provided becomes in effect a contribution out of revenue towards productive capital expenditure. Instead, therefore, of speaking of such a provision by the convenient but misleading title of a sinking fund, it is preferable to describe it as a contribution out of revenue for reduction or avoidance of debt.

30. The amount provided for reduction or avoidance of debt in the Estimates for 1923-24 was as follows :—

	(Rs Lakhs)	(Rs Lakhs)
<i>In India—</i>		
1½ per cent. Depreciation Fund against—		
5 per cent. Indian War Loan, 1929-47	41	
5 per cent. Tax-free Loan, 1945-55	33	
Lump sum addition to the above made in and since 1921-22	80	
	—	1,54
<i>In England—</i>		
	£	
War contribution—annual instalment in repayment of principal	442,900	
Railway Annuities (capital portion) and sinking funds	1,544,300	
	—	
Total in England	1,987,200	
Which at Rs15=		2,98
Total provision		4,52

As I have already explained, the special optional addition of 80 lakhs, made in and since 1921-22 to the depreciation fund for the two 5 per cent Rupee loans was not required during 1923-24. There was also a saving in exchange on the sterling items of 9 lakhs, so that the total actual expenditure for reduction or avoidance of debt during the year will have been Rs3,63 lakhs.

The corresponding figures for 1924-25 on the same basis would be Rs4,65 lakhs including the special 80 lakhs and Rs3,85 lakhs excluding those 80 lakhs. An addition of 14 lakhs has to be made to the Depreciation fund for the 5 per cent tax-free loan 1945-55 as the result of the further issue of that loan last summer. The balance of the difference between the figures for the two years is explained by exchange variations and by an automatic increase in the capital portion of certain annuities.

31. It will be remembered that a year ago there was some discussion in connection with the Budget of the propriety of charging to capital that portion of the Railway annuities, provided in the Railway grant, which represents repayment of capital. In accordance with a promise which I made last year, we have now reconsidered this particular charge in connection with the general subject of debt. We have come to the conclusion that this charge should henceforth be excluded from the Railway budget, but treated along with our other provision in the general budget for the reduction or avoidance of debt. By so treating it, we are able to get a clear picture of what exactly is our total provision out of revenue against our total debt and to consider whether it is sufficient. In order to do this we must first ask what is the basis on which our present total provision rests and what ought to be the basis. Why, in fact, did we provide 4,52 lakhs in 1923-24 and was that an adequate total?

32. It appears on examination that the present provision is largely the result of accident. We happen to have entered into certain contracts with third parties, such as the contracts with railway companies to buy up their property by means

of terminable annuities, and the contract with subscribers to our 5 per cent. war loans to provide a depreciation fund. These contractual obligations account for 3,72 lakhs in the Budget Estimates for 1923-24. The only optional payment was the extra 80 lakhs for additional depreciation funds for the 5 per cent. loans. It is obvious that a total made up in this way does not represent a considered plan, and that the aggregate of individual items does not necessarily conform to any criterion of what our total provision should be. Let me give an example of what I mean. Let us suppose that we come to the conclusion that 3.99 crores, which with exchange at 1s. 4d. is the aggregate of the obligatory items in 1924-25, represents almost exactly what ought to be provided. Suppose further that in the course of the next few years the money required for new productive capital expenditure and the money needed to meet the large total of maturing bonds were raised mainly or entirely by the issue of one or other of the 5 per cent. loans to which a contractual depreciation fund attaches. A large addition would then have to be made to our provision for depreciation funds. It is, of course, proper that the provision for reduction or avoidance of debt should grow with the growth of our total debt. But is there any reason why it should grow by exactly the amount of the depreciation funds? And in so far as the new borrowing merely represents the replacement of maturing bonds is there any reason for an increase at all?

33. We are clearly in need of some criterion and we should aim at a regular programme based on stable and well considered principles, not subject to haphazard changes. The best way of arriving at such a programme is, I think, to take the gross total of our debt, examine the capital assets which we hold against that debt, and fix approximate periods within which it is desirable to amortise each category of debt. The gross total of our debt on the 31st March 1924, according to the figures already given, is approximately 9,17.53 crores. I exclude as before the 49.65 crores of Treasury Bills in the Paper Currency Reserve, for redemption of which statutory arrangements have already in fact been made in our Paper Currency Act. Of this total of 9,17.53 crores, 98.81 crores represents debt incurred on behalf of the Provincial Governments. Those Governments themselves provide for the repayment to us of what they have borrowed, and proposals are under consideration for putting these arrangements on a more regular footing and for the establishment of a Provincial Loans Fund. For the purposes of the Central Government's provision for debt reduction, we may, therefore, exclude this sum of 98.81 crores as also the sum of 11.88 crores representing discount on past loans, leaving a net total of 8,06.84 crores, of which 5,78.39 crores is productive and the balance of 2,28.45 crores is unproductive debt.

34. It seems desirable, however, to analyse our unproductive debt a little further. Approximately 98 crores of it represent the accumulated deficits of the five years ending 31st March 1923. The building of New Delhi accounts for 9.85 crores. We are thus left with a figure of 1,20.60 crores which may be said to be our true war debt. It is reasonable to fix different periods for the redemption of different classes of debt. For productive debt 80 years is not too long. For unproductive debt generally a period of more than 50 years is not easily defensible. For repaying the debt due to our deficits or for such an onerous obligation as the building of New Delhi, shorter periods, say 25 years for the first and 15 years for the second, ought to be taken, since in both cases the next generation of taxpayers is in danger of being called upon to provide sums which ought strictly to have been met out of annual revenue. War debt, on the other hand, however desirable it may be to meet war expenditure to the utmost extent possible out of war revenue, is the inevitable outcome of war conditions and part of the cost of war, and may legitimately be passed on to the generations which benefit by the sufferings and privations of their predecessors. *Per contra*, the fact that borrowing may be needed for emergencies such as war makes it most undesirable for a Government such as the Government of India to borrow for non-productive purposes in time of peace. It should manage to provide in peace time for the gradual amortization of all its debt. Moreover, the existence of a regular provision out of revenue for reduction or avoidance of debt will not only reduce the net amount of our new borrowings for productive purposes but will materially reduce their cost.

35. It is not possible in a Budget speech to treat the whole subject exhaustively and I do not pretend that the periods suggested above are the only possible or reasonable periods to take. But for the purpose of my argument they will serve,

well enough by way of illustration. If we take the periods named and apply them to the different classes of debt mentioned and assume further that any sums provided year by year were set aside to accumulate at 5 per cent. compound interest, we obtain as our result a figure of 3.66 crores as the amount which it would be necessary, on the above basis, to provide annually beginning with the year 1924-25 to redeem the whole debt within the periods named. But it would not be convenient or desirable to set this sum aside year by year to accumulate at compound interest in the manner assumed in the calculation. It must be expended in the year in which it is provided either on actual repayment of existing debt or for new capital purposes in order to reduce the amount of our new borrowings. By so using it, we reduce the amount we have to pay in interest in the future. We could, indeed, obtain a result equivalent to accumulation at compound interest if we first of all provided 3.66 crores in 1924-25, and then set aside in 1925-26, in addition, a sum equivalent to 5 per cent. interest on 3.66 crores, and so on in future years. In that case the sums actually required during the next five years would be :—

(In crores of Rs.)				
1924-25	1925-26.	1926-27.	1927-28.	1928-29.
3.66	3.84	4.04	4.24	4.45

36. This would, however, be rather a cumbrous arrangement and in view of the hypothetical nature of some of the data on which the calculation is based, for example the assumption of a rate of exactly 5 per cent. for interest, it would be better to achieve the results desired by some more simple process. The same amount of debt would be redeemed if a provision of 1.04 crores were made in each year for the next five years. We may therefore conclude that a figure of 4 crores per annum would be an adequate provision to include in our Budget expenditure for the next five years for dealing with our existing debt.

37. I do not mean that we ought to lay down finally as a law of our financial system that a provision of 4 crores per annum shall be made in each of the next five years. In any case, I must remind the House that this figure makes no provision for the further debt which will be incurred during 1924-25 and thereafter. The criteria which I have suggested evidently require that an addition should be made each year for all new debt incurred. On the assumption, which I hope will prove correct, that such debt will (with the one exception of the expenditure now nearing completion on New Delhi) be entirely for productive purposes, the annual addition might be a sum equal to one-eightieth of the net addition to our debt during the year. It is much to be desired that in the near future we should arrive at a definite programme—it might with advantage be a statutory programme—for dealing with this subject. For the present, however, I am content to deal with the year 1924-25 only, leaving for further consideration in the light of the discussion which will, I hope, be provoked by what I have said, the final determination of our future programme.

38. The House will not fail to observe that the figure of 4 crores is almost exactly the figure of our obligatory payments. This coincidence is satisfactory as showing that our provision for dealing with our debt hitherto has been a reasonable one. It also provides a further justification for the omission of the optional item of 80 lakhs for additional depreciation fund. In view of the strength of the market for Government securities, this extra 80 lakhs is clearly not required for its specific purpose.

Separation of Railway Finances from General Finances.

Railway Budget.

39. Before coming to grips with the figures of the general Budget for 1924-25, I must devote attention to one more special subject, the subject of Railway Finance. Honourable Members have all seen the resolution on the subject of the separation of the Railway Budget from the ordinary Budget which has been on the table of the House for some days. I know of no reform which offers greater attractions and greater benefits to our finances and our Railways alike than a definite separation, if it can be achieved. The condition of affairs hitherto prevailing has inevitably tended to an alternation between raids by the Railways on the taxpayer and raids by the taxpayer on the Railways. If we can succeed in putting an end to this state of affairs, we shall have achieved a piece of genuine constructive work, for which the credit will be, in large measure, due to the initiative of the legislature which has

pressed the problem upon the Government. It is proposed that time shall be set apart on Monday next for a full discussion of the resolution on this subject. I must not, therefore, delay the House now by dwelling upon it. I want only to say that in my opinion the reform proposed will bring us valuable dividends in our future budgets, and at the same time lead to great economies in the working of our Railways. It will give them a real incentive to increase their efficiency and to provide better service at reduced cost to their customers, the Indian public.

10. In the figures of the general Budget as presented, the return which we expect to receive from our investment in the Railways is included in accordance with the new settlement now proposed. The taxpayer, instead of paying the whole of the expenses and taking the whole of the incomings of the railways, will enter into a bargain with the Railways to receive from them (a) a sum sufficient to pay in full the interest on the capital he has invested in the commercial lines, (b) an additional dividend of five-sixths of one per cent. on that capital and (c) a share of one-fifth of any surplus earnings that may be secured in addition. In return, the railways will be left to carry on their business with the right to retain any surplus over and above what they pay to the Government and to apply it to railway purposes, first of all for creating reserves and then by using those reserves to improve the services they render to the public and reduce the price which they charge for those services. The Government of India and this Assembly will remain in complete control of the Railway Administration just as they now are. That control will be in no way impaired. But there will no longer be any need to consider from the narrow standpoint of their effect upon the general revenues in a particular period of twelve months, that is in a particular Budget period, proposals by the Railway authorities which, though excellent and desirable in themselves, might, under the present system, upset the apparent equilibrium of the Budget for the year. The taxpayer will secure a regular and increasing contribution from his investment, largely independent of fluctuations in railway receipts and expenditure, and the railways will be able to spend money according to the real needs of the railway system, unimpeded by the necessity for conforming to the vagaries of Budget figures and the requirements of Budget accounting. The Railways will become a real commercial undertaking managed on commercial lines, and the taxpayer will get the benefit of commercial accounts and management.

11. Among the papers which are being circulated with the speech, Honourable Members will find statements showing first, how the net contribution by the railways to general revenues is arrived at under the proposed new settlement, and second a comparison of the figures under the two systems showing what the contribution would be under the old system. The main figures in the Railway Budget framed according to the proposed new plan are, traffic receipts 97·07 crores, working expenses 65·23 crores, interest and other charges 26·23 crores, leaving 1,33·48 lakhs as reserve and 4,27·30 lakhs as the net contribution to general revenues. Under the old system the net contribution is 4,16 lakhs. It is necessary, however, to mention one special point. One of the results of the close scrutiny of Railway finances which has taken place during the past year has been to bring to light a difference on the wrong side between the value of stores held for the capital suspense account and the true market value of those stores. Some of them are not now required for railway purposes and must be sold for what they will fetch. Others are required but are worth less than the figure at which they stand in the books. It becomes necessary, therefore, to write off 3 crores from the Capital account and this can only be done by a charge against revenue. The loss has been accumulated over a series of years and is partly the result of the large rise in prices after the war and the subsequent slump. How are we to deal with this charge of 3 crores? It is necessary that the loss should be written off at once in order to enable us to arrive at a proper valuation of the East Indian and the Great Indian Peninsula Railways when they are taken over by the State. If we were in a position to do so, we ought undoubtedly to provide this 3 crores out of the revenue of 1924-25. Under the settlement proposed to be made with the Railways, this charge will be taken over by them and spread over a period of ten years, during which there is reason to believe that they will be able to meet it out of their share of surplus profits. Under the old system there is no provision for building up a reserve out of profits, as profits are taken automatically into general revenues for the year in which they accrue. There is, therefore, less

justification for spreading the charge. If, however, the whole 3 crores were charged against the revenue of 1924-25, the contribution of the railways to general revenues during the year would be reduced almost to vanishing point. I trust that the need for deciding this difficult point will be avoided by the adoption by this House of the proposed system of commercial accounting and separation of the railway finances. But in the contrary event, there seems to be no better solution than to set up a special provision of 30 lakhs a year, beginning with 1924-25, to amortise the debt in ten years, and it is only by this unsatisfactory device that the figure of 4.16 crores for railway net receipts on the present system is arrived at.

BUDGET ESTIMATES FOR THE YEAR 1924-25.

12. I have, I am afraid, already taxed the patience of the House as severely as the Government are accused of taxing the people of India. But the subjects of Debt Redemption and Railway finance have an interest far beyond the immediate question of the Budget of 1924-25, and it was necessary to deal with them at some length in order to prepare the way for the Budget statement itself. Two other subjects, which are of immediate importance for the year 1924-25, must still be disposed of before I am in a position to present the figures for which the House is waiting. The first of these is the question of making Government stores liable to Customs Duty and the second is Exchange.

Proposal to charge
imported
Government stores
to customs duty.

13. I have already referred to the complications caused during 1923-24 by the decision of the Bombay High Court which brought stores purchased for Company Railways into the category of "Government stores". We hope that the decision of the Privy Council will upset this ruling on appeal. But quite apart from that question, we have come to the conclusion that the time has arrived when Government stores should be treated for Customs purposes like any other imports, and as the House is aware, we have introduced a Bill to rescind the proviso to section 20 of the Sea Customs Act by virtue of which Government stores are admitted duty free.

14. The Budget figures are presented on the assumption that this Bill will become law. The effect is to add about 1.63 lakhs to our estimate of revenue and about 53 lakhs to our general expenditure, of which 25 lakhs occur under the head of Military expenditure and 22 lakhs represent the assignments to be made to Provincial Governments during 1924-25 to compensate them for the duty which they will have to pay. An additional charge of about 1.10 lakhs to Railways is also involved, partly Revenue and partly Capital. Of this 1.10 lakhs about 90 lakhs would in any case accrue if the decision of the Privy Council were in our favour. It has been the practice hitherto to take credit to Revenue for customs duty on stores imported by company-managed Railways for capital purposes even when the capital is provided through the Government of India. We thereby get an increase in revenue at the expense of an increase in capital. It is true that the capital is spent on productive purposes and that the Railways are expected to charge their customers fares and freights sufficient to pay interest and earn profits on capital expenditure. But there are obvious objections to increasing revenue at the expense of capital and this system will be reconsidered during the course of the year. It is not proposed to change it in the present Budget, in so far as the company-managed lines are concerned. But we think it would be unsound to extend the practice to State Railways, which will now have to pay Customs duty on the stores they import. It is accordingly proposed to earmark as a special contribution from Revenue to Capital a sum equivalent to the duty collected from State Railways on stores imported by them for capital purposes. The amount in 1924-25 is estimated at 11 lakhs. It will be larger by 30 lakhs in 1925-26 when the Great Indian Peninsula and East Indian Railways are taken over by the State, and the fact of their transfer to State management will thus automatically reduce the extent of the objection to the present system in the case of company-managed lines. The amount of duty on stores for company-managed lines which involves a debit to capital in 1924-25 is estimated at 51 lakhs.

Exchange.

Exchange.

45. It will be remembered that in the Budget estimate for 1921-22 a rate of 1s. 8d. per rupee was taken for the purpose of converting into rupees that part of our expenditure which is in sterling. The Government were supposed to have made

a prophecy or even a promise that the average rate for the year would be 1s. 8d. and were severely criticised when the rate fell far below that figure. This year and the year before the rate taken was 1s. 1d., which proved just about right in 1922-23, while in 1923-24 the average rate has been 1s. 4½d. What rate are we to take for 1924-25? The figures were prepared in the first instance on the basis of a 1s. 4d. exchange, but are we content to leave them on that basis? If we do so and the rate for the year averages 1s. 1½d. we shall have over-estimated our expenditure to the extent of 88 lakhs (apart from Railways) and if the average rate were as high as 1s. 5d. we shall have over-stated our outgoings by 1.71 crores. Is the House prepared to pass our Demand Grants on the basis of 1s. 1d. at a moment when the market rate has been almost continually above 1s. 5d. for nearly four months?

46. But if we do not take 1s. 4d. what rate are we to take? The Government of India cannot prophesy or promise any particular rate, and he would be a bold man who ventured any confident statement in complete ignorance, as he must be, of the nature of the 1924 monsoon, the course of events in the Ruhr and elsewhere, and the movements of the dollar-sterling exchange. We are compelled to adopt some definite figure and yet we are entirely unable to control the events which will determine the accuracy of whatever figure we may adopt. After careful consideration we have decided to frame our forecast on the basis of an average rate for the year of 1s. 1½d. or 1½d. better than the actual average in 1923-24.

Expenditure.

47. We are now at last in a position to proceed to a balance-sheet for 1924-25. I begin with the expenditure side.

Military expenditure for 1924-25 is estimated at 63 crores gross and 60.25 Military. crores net, which includes a saving on Exchange of 68 lakhs. On the basis of 1s. 1d. expenditure. to the rupee the net amount required would be 60.93 crores. In order to assist comparison with the current year the remaining figures of Military expenditure which I shall proceed to give will be on the basis of 1s. 4d. to the rupee.

48. Established charges come to 59 crores which compares with the Revised estimate of 60½ crores and the original Budget figure of 61.94 crores for 1923-24. But 25 lakhs is included in the 1924-25 figure for the payment of customs duty on imported stores, which was not required in 1923-24. We shall require 30 lakhs for roads and barracks in Waziristan and 1.63 lakhs for special terminal charges. If we exclude the special sum of 25 lakhs representing customs duty, which will come back as revenue, the established charges will amount to 58½ crores as against the figure of 59.38 crores assumed by the Retrenchment Committee. The non-recurrent saving arising from reduction in stocks cannot of course be repeated for next year. But we have managed to reduce the established charges below the Committee's figure—an achievement for which we are greatly indebted to the vigilance of His Excellency the Commander-in-Chief and his keen anxiety to effect all possible economies which do not interfere with the essential structure and organisation of the reduced Army.

49. Full information about the action taken on the detailed recommendations of the Retrenchment Committee has already been supplied to the House. I may remind Honourable Members that the Committee expressed the view that in matters of detail the Commander-in-Chief must be left a certain amount of discretion in carrying out their proposals. As the financial effect of the retrenchments actually secured is not less than the total specific economies recommended by the Committee, the Government can rightly claim that they have given full effect to the Committee's recommendations. We have not overlooked the fact that the Retrenchment Committee expressed the opinion that the adoption of their recommendations would enable the Military estimates to be reduced in subsequent years to about 57 crores and ultimately to 50 crores, though, as they stated, the Commander-in-Chief did not subscribe to this opinion. Their specific recommendations, however, worked out to a figure of 57½ crores, which included the special non-recurrent saving of 2½ crores from reduction in stocks. There was thus a gap of 3 crores between the figure arrived at as a result of the specific recommendations of the Committee and the figure of 57 crores. Further the Committee took no account of the inevitable increase in non-effective charges. Owing to a growth in the pension list, which has been accelerated by reductions of personnel, the provision for non-effective charges included in the established charges

of the Military services is, on the basis of a 1s. 4d. rupee, 35 lakhs higher in the Budget of 1924-25 than in the Budget of 1923-24. It is evident, therefore, that the goal of 57 crores is not immediately attainable. For the last year our energies have been fully occupied in securing the actual retrenchments specifically recommended by the Retrenchment Committee. But I am not without hope that, with the continued co-operation of His Excellency the Commander-in-Chief, it may be possible further to reduce the level of the established charges of the Military services in 1925-26, though unfortunately we have reason to anticipate that terminal charges will be specially heavy in that year.

Civil expenditure.

50. On the Civil side also, we have given effect to almost all the recommendations of the Retrenchment Committee and expenditure generally has been kept low. Under *Opium*, we are able to count on a decrease of 49 lakhs as compared with the current year's expenditure, as the special payments necessitated this year by an increase in the outturn of the last crop should not recur. A provision of 25 lakhs has been made, as I have already mentioned, for *ex gratia* payment of compensation to private individuals who suffered from enemy action during the war, but it can be met from an equivalent sum set apart from the windfall from the working of enemy ships. Eliminating Railway transactions, which cease to be a direct charge on Central revenues under the new arrangements which I have explained, our total expenditure amounts to 104.57 crores. What is the revenue on the basis of existing taxation from which to meet it?

Revenue.

Customs

51. We expect a net customs revenue for 1924-25 of 45.02 crores against 40.42 crores now expected in the current year. The former figure includes the extra 1.63 crores already mentioned on account of duty on imported Government stores including Railway stores. Apart from this special factor, the estimate of revenue for 1924-25 allows for the higher tariff valuation for sugar which came into force from the 1st January last and for a normal expansion of revenue under other tariff heads.

52. Some small changes in the tariff are being proposed in the Finance Bill, the most important being the reduction of the Excise Duty on Motor Spirit to $1\frac{1}{2}$ annas a gallon, which will cheapen motor spirit without loss to our revenue, and the imposition of specific duties on empty match boxes and splints, in order to protect our match revenue. I ought perhaps to add in passing that for Budget purposes it has been necessary to assume that the final outturn of 1924-25 will be unaffected by any changes which may be introduced into our customs tariff as the result of the recommendations of the Tariff Board.

Income-tax.

53. Under Income-tax, the unsatisfactory condition of the Bombay mill industry in the current year will reduce our revenue in that province in 1924-25, but this decline in revenue should be partly set-off by increases in other provinces, and we do not anticipate a reduction of more than 85 lakhs on the net revenue expected for the current year, making the total figure 18.22 crores.

54. We expect no material variation in the estimates under other heads of revenue, except under Currency where the investments in British treasury bills made out of the large sterling remittances effected in the current year will result in an increase in revenue of about $\frac{1}{2}$ crore. We propose that the interest on investments of the Currency Reserve as well as the surplus holdings in the Gold Standard Reserve in excess of £40 millions should, as in the current year, continue to be credited to revenue.

Posts and
Telegraphs.

55. The net budget estimate of expenditure of the Indian Posts and Telegraphs Department is 9.03 crores. The revenue for 1924-25 is put at ₹10.14 crores. These figures are not comparable with those presented a year ago owing to the inclusion on both sides of certain items not hitherto included. The changes introduced represent the results so far achieved in the attempt to present commercial accounts. It had been hoped that it would be possible to have a commercial account ready for this Budget, but, partly owing to the desirability of awaiting a settlement of the cognate problems in the commercialisation of the Railway accounts, we have had to be satisfied with something less this year. We are able, however, to include in the detailed estimate a profit and loss account which indicates that the actual profit for 1924-25 will be about 24 lakhs.

56. It will be remembered that the Retrenchment Committee laid considerable stress on the large amount of capital locked up in stores. The actual balance in stock in the case of this Department has been reduced from ₹257 lakhs to ₹196 lakhs during 1923-24, and by the 31st March 1925 it is expected that the figure will have been brought down to less than 1 crore.

Surplus.

57. Replacing the net receipts from Railways by the fixed contribution of 1·27 crores, we thus arrive at a total revenue estimate of 107·93 crores, giving us, on the basis of existing taxation, a surplus of 3·36 crores. How are we to utilise this surplus? I see many claimants. I should like to have been able to reduce some of our Customs duties which in certain cases are undoubtedly hampering trade, though not I think so much as has been contended in certain quarters. It is tempting to consider a reduction here and there of some of our charges for postal and telegraph services; these, however, must wait till we know more exactly what the real surplus on the working of the Posts and Telegraphs is. Then there are the Provincial contributions. We had some discussion on these a few weeks ago, and the desirability of getting rid of them was widely recognised. So long as they remain unreduced, we are in the position of having over 9 crores of prior obligations between us and the things we should like to do with our surplus. Moreover, the existence of this liability is a constant source of bitterness in the relations between the different Provincial Governments and between the Government of India and the Provincial Governments, not excluding Bengal, whose three years of grace expire at the close of 1924-25. A beginning of reduction is being eagerly anticipated by the Provinces, especially by Ministers who are anxious to develop the services under their charge and are severely hampered by lack of cash. Undoubtedly the Provincial contributions have a very strong claim. And finally there is the salt tax. It was raised from ₹1-1 per maund to ₹2 8 per maund this year owing to the paramount necessity of balancing the Budget. To reduce it to ₹2 per maund would demand 1·82 crores out of our surplus, to reduce it to ₹1-4 would take away ₹3·32 crores, that is, would devour practically the whole surplus.

WAYS AND MEANS.

58. But perhaps it would be better if, before continuing this exciting inquiry, I were to divert your attention for a moment to that necessary but less exciting portion of the annual Budget Statement—our Ways and Means Budget.

The following statement summarises the Ways and Means operations in India and England together during 1923-24 and 1924-25:—

<i>Liabilities.</i>	[Crores of Rs.]	
	Revised	Budget.
Railway capital outlay	23·3	30·0
Delhi, Irrigation and Telegraph outlay	2·8	3·2
Discharge of funded debts, etc.	5·2	1·0
Discharge of Treasury Bills with the public	19·5	2·1
Loans to Provincial Governments	11·3	12·7
Drawings of Provincial Governments from their balances		2·3
	<hr/> 62·4	<hr/> 51·3

Met as follows:—

Central Government's revenue surplus	2·1	
Surplus revenues of Provincial Governments	5·0	
Rupee loan	23·1	20·0
Sterling loan	18·2	
Net receipts from Post Office Cash Certificates	5·4	1·5
Net receipts from Savings Bank deposits	5·3	6·0
Miscellaneous items	2·3	7·9
Reduction of cash balances	1·0	15·9
	<hr/> 62·4	<hr/> 51·3

59. I have already referred to the satisfactory receipts from Post Office Cash Certificates in the current year and to the practical extinction of Treasury Bills issued to the public. I want to draw special attention to three further points in these figures, the amount of our proposed Rupee borrowings, the position in regard to our sterling remittances, and the absence of any provision for new sterling borrowing. The last is a very satisfactory feature in view of the onerous obligations for the future which the provision of interest and sinking fund on external debt involves. I must, however, remind the House that our Ways and Means Budget figures are necessarily illustrative rather than exact, and in particular I must not be taken as saying that in no circumstances will the Government of India borrow abroad during 1924-25. Something must depend on the relative cost of borrowing inside and outside India. But all indications point to our being able to meet all our capital requirements and all our sterling requirements in 1924-25 without issuing any external loan.

60. Moreover, we hope to achieve this while at the same time reducing our demands on the market in India, where, thanks to the reduction of our total requirements for new capital, we expect to be able to limit ourselves to a rupee loan of not more than 20 crores as against the total of 24 crores in 1923. We are assisted in reaching these results by having built up during 1923-24 a large reserve against our sterling needs during 1924-25. Our total purchases of sterling, whether by purchases in India or by sales of rupees in the form of Council Drafts in London, during 1923-24, are estimated to amount to £26½ million. During the summer we drew £5,850,000 in sterling from the Paper Currency Reserve against payment into the Reserve in India. On the other hand, in order to take advantage of the more attractive rates at which sterling has been obtainable during the winter months and at the same time to do something to mitigate stringency in the Money Market, we have remitted no less than 12 crores to London against issues of Paper Currency in India. We shall start the year 1924-25 with £11 millions in sterling securities in the Paper Currency Reserve, all of which we can, if necessary, apply towards meeting our sterling outgoings. But if conditions are at all similar in the winter of 1924-25 to those which prevailed this year, we may have to replace some of the amount so applied during the summer in order to meet the requirements of the Indian Money Market in the winter. We have, therefore, assumed a net draft on these sterling reserves of £10 million. The Ways and Means figures given above ignore, it will be noticed, any revenue surplus in 1924-25, and they are subject to modification in the light of the final decision as to the use of that surplus.

FINAL PROPOSALS.

61. This brings me back to the problem of what to do with our surplus. It is one of the ironies of fate that the boon which a Finance Member most desires—a Budget surplus—is frequently the cause of more embarrassment to him than anything else. He has first to examine carefully whether he can safely give away any part of his surplus without laying up a store of trouble for future years. We do not want to remit taxation or give away a part of the Provincial contributions this year and then be faced with the necessity of imposing additional taxation next year or the year after. How do we stand in this respect? When the 1923-24 Budget was framed we doubted our ability to effect within the year all the retrenchments which we had under consideration. We were justifiably in doubt whether our revenue estimates were not unduly sanguine. We managed just to balance our Budget on paper, and though it is still doubtful whether the ordinary revenue will quite cover the ordinary expenditure, we have at any rate reached equilibrium. But we attained our balance this year only by special cuts in certain directions which could not possibly be recurrent. I have already explained the way in which this use of non-recurrent savings affects the comparison between the Military budgets for 1923-24 and 1924-25. In the case of the Railways, we made an even less satisfactory saving which was not merely non-recurring but involved the postponement of urgently necessary works of rehabilitation. The cut in Programme Revenue Expenditure in 1923-24, justifiable as it was in all the circumstances, makes it all the more necessary that money should be found in 1924-25. In 1923-24, therefore, even if our paper surplus had been more assured, it would have

been an unthinkable act of improvidence to have given up any part of the Provincial contributions. We need not perhaps stop to consider whether it would have been proper to give away to the Provinces the proceeds of a tax not agreed to by the House.

62. The Budget for 1924-25 as it stands gives us, I am happy to assure the House, a sounder basis on which to build. I must admit that the estimates of Revenue are still experimental. This is inevitable in the present disturbed state of the world. If our estimate of Customs revenue is a little more cautious than in 1923-24, there are reasons for thinking that our estimate of Income-tax receipts in 1924-25 may be optimistic. But on the expenditure side, there are no such large non-recurrent cuts as disturbed the prospects a year ago, and we are justified in looking forward to the early disappearance of special war and terminal charges, though I have warned the House that the charge for surplus officers may be rather larger in 1925-26 than in 1924-25. Our Railway Budget will, I hope, be established from henceforward on sound commercial principles. Our provision for debt is, as I have shown, not unsatisfactory. Urgently desirable expenditure on new works is still postponed for financial reasons, but this at any rate is what I can call optional expenditure. We must not, indeed, forget that a poor monsoon is due before long. On the other hand, a real improvement in trade would appreciably increase the yield from our existing taxation. We have, moreover, to remember that a contribution of 63 lakhs will be due from Bengal in 1925-26. All things considered, we are justified in regarding the surplus of 3.36 crores as a real surplus, and I come back to the two claimants which the House will, I feel sure, agree to be the only possible ones, the Provincial contributions and the Salt Tax.

63. There is one important distinction between these alternatives. If we retain taxation at its present figure and give away our surplus in whole or in part to the Provincial Governments, we can face the year 1925-26 with some hope not merely of again achieving a balance but with the brighter expectation that some further reductions in expenditure or some normal growth in the yield of our existing sources of income will again give us a small surplus. If, however, we were to reduce the salt tax to Rs 1-4-0 per maund, we have an initial deficiency of 2.16 crores to face in 1925-26. The receipts in 1924-25 would be abnormal partly because dealers would at once replenish their depleted stocks if the duty were reduced to Rs 1-4-0 and partly because we give the dealers six months' credit. For the first five months of 1924-25, we shall in any case be collecting some revenue at the rate of Rs 2-8-0 a maund. A reduction to Rs 1-4-0 in the 1924-25 Budget would not, therefore, have its full effect on our figures till 1925-26. The same would be true of a reduction to some intermediate figure, though of course to a smaller extent.

64. One further objection to a reduction of the Salt Duty is that, as I have already shown, the hope that the enhanced rate would endure for one year only has induced dealers to run down their stocks and they have thus to a great extent managed to evade payment of the full duty. It is believed that they cannot reduce stocks much further, and a decision by this House to retain the duty at Rs 2-8 would make them give up hope of pocketing the special profits which they have been trying to secure. They would gradually replenish their stocks and the Exchequer would no longer fail to obtain its due revenue. If the tax is reduced to Rs 1-4, they will certainly succeed in retaining for themselves part of what they ought to have paid to the Government and will not pass on the whole benefit to the consumer.

65. I know that many in this House regard reduction of the Salt Tax from a standpoint which includes wider considerations than those which are purely financial and economic. I am authorised to say that the choice will be left to the House. We are not, as last year, confronted by the vital distinction between a Budget which balances and a Budget which does not.

66. But are the economic objections to the salt duty so great as to justify the House in giving up this recurrent source of revenue at a time when the Provincial contributions remain unreduced, and the needs of the Provinces are as great as they are to-day? We have a sum of over 9 crores between us and a Budget which balances without the assistance of the Provincial contributions. If we reduce the salt tax to Rs 1-4, we are in truth proclaiming to the Provinces that neither in 1924-25 nor in 1925-26 can we offer them any certain prospect of relief. We are at the same

time postponing indefinitely the date at which we can foresee any reasonable possibility of reducing other onerous taxes or increasing our expenditure on beneficial services. It is a message of despair to all those who are looking to expenditure, whether by the Central Government or by the Provincial Governments, for the amelioration of the conditions of life, and for improved educational and sanitary services throughout India.

67. Let not the House deceive itself. We certainly hope for progressive reduction in our Military expenditure, for progressive improvement in the yield of our existing sources of revenue. We hope too that the Committee on Taxation will be able, in due course, to recommend important improvements in the machinery and scope of our taxation system, so that it may be possible for India to raise in taxation an amount equal to what she raises to-day at less sacrifice to the tax-payer. But the results of this inquiry can hardly be available in time for the 1925-26 Budget, and the improvements in our position for which we may look owing to reduced expenditure and increased yield from existing taxes can hardly do much more in 1925-26 than fill the gap of over two crores created by the loss of salt revenue. We have once again explored with exhaustive care the practicability of alternative taxation, and we are unable to recommend any alternative. We cannot, as I have already shown, afford to contemplate reduction of the Provincial contributions by postponements of inevitable expenditure or by any devices, even if they were available, which will merely improve the appearance of one year's Budget by laying up trouble for the next. And we cannot return to the era of unbalanced Budgets. The choice is clear and unambiguous. We can, if we like, reduce the salt tax to Rs 1-4, but by so doing we do a definite disservice to the true interests of India's finances.

68. But, it may be said, is there not a middle way? A reduction to Rs 1-4 costs us 3.32 crores in 1924-25 and a further 2.16 crores in 1925-26, making a total loss of 5.48 crores in 1925-26. Thereafter, allowing for normal growth in yield, the annual recurrent loss is in the neighbourhood of 6 crores. A reduction to Rs 2 per maund involves a loss in 1924-25 of Rs 1.82 crores and little more in 1925-26. With the salt tax fixed at Rs 2 per maund by the verdict of this House, the disturbing factors which have upset the calculations in 1923-24 in regard to issues of salt would be eliminated, and though the dealers would, it is to be feared, succeed in making some of the special profits which they have had in view in reducing their stocks, their gains would not be so appreciable as would result from a reduction to Rs 1-4. A reduction of the salt duty to Rs 2 per maund would still leave us with a surplus of 154 lakhs in 1924-25, and the extra loss in 1925-26 is so small that we could afford to ignore it. Even though on purely financial and economic grounds they may be doubtful of the desirability of reducing taxation in face of the claims of the Provinces for reduction of their contributions, are the Government not prepared to adopt this middle course?

69. After full consideration of all the special circumstances, the Government of India have decided not to ask the House to continue the salt duty at Rs 2-8 a maund. But in view of their repeated pledges on the subject of the Provincial contributions, and still more because they are convinced that even the poorest Indian—and perhaps the poorest most of all—will benefit far more by the maintenance of sound finances in the Central Government and by a beginning of a reduction in the Provincial contributions, they have decided that the middle course is the right course. They propose to divide the surplus between the two claimants.

70. The recommendation of the Government of India therefore is, and I desire to make it clear to the House that this recommendation is made after full consultation with the Secretary of State and with his full approval and support, that out of the surplus of 3.36 crores a sum of 1.82 crores be applied to reducing the salt tax from Rs 2-8-0 per maund to Rs 2 per maund and that a sum of Rs 1.50 crores be applied to a reduction of the Provincial contributions. This will give immediate relief to four provinces. It will reduce the contribution of Madras from 348 lakhs to 268 lakhs. It will reduce the contribution of the Punjab by 38 lakhs, from 175 lakhs to 137 lakhs. The contribution of the United Provinces will be reduced from 240 lakhs to 210 lakhs, a reduction of 30 lakhs. Burma will get a small reduction of 2 lakhs on its contribution of 64 lakhs.

71. I do not wish to appeal to provincial particularism. We here represent the whole of India. As I said a few weeks ago, borrowing the words of the Honourable

- Pandit Madan Mohan Malaviya, this is a national question and should be looked at from a national standpoint. The Devolution Rules prescribe the proportions in which each province's contribution is to be reduced as money becomes available. The provinces named are the first to get relief. But "well begun is half done". The turn of the others comes next and their prospect of reduction is brought so much the nearer by the clearing away of prior claims. But more important still is the interest of India as a whole in making a beginning in dealing with this running sore of the Provincial contributions. This House, in the first year of its life, has an opportunity of helping to make good the financial basis of the Reforms from lack of which many of the difficulties of the last three years have sprung. The Government of India ask the co-operation of the Assembly in enabling them so to manage the finances of the country that the way may be clear for constitutional progress unhampered by any impediments arising from financial disorders.

BASIL P. BLACKETT.

The 29th February 1924.

BUDGET FOR 1924-25.

STATEMENT I.

Statement comparing the actual Revenue and Expenditure of the Central Government (Imperial Revenue and Expenditure before the Reforms) with the Revised Estimates for each year from 1913-14 to 1922-23.

(See paragraph 2 of speech.)

[In thousands of Rupees.]

	REVISED ESTIMATES.			ACTUALS.		
	Revenue.	Expenditure.	Surplus (+) Deficit (—)	Revenue	Expenditure.	Surplus (+) Deficit (—)
1913-14	80,66,56	78,43,56	+2,23,00	81,32,71	77,85,85	+3,46,86
1914-15	74,89,38	79,07,25	—4,17,87	76,15,35	78,83,14	—2,67,79
1915-16	78,89,08	81,59,21	—2,69,13	80,00,96	81,79,26	—1,78,30
1916-17	97,25,67	88,27,37	+8,98,30	98,53,10	87,31,37	+11,21,73
1917-18	1,14,84,48	1,06,27,74	+8,56,74	1,18,70,58	1,06,57,52	+12,13,06
1918-19	1,27,04,65	1,34,79,88	—6,85,23	1,30,40,66	1,36,13,72	—5,73,06
1919-20	1,44,07,56	1,59,16,67	—15,11,11	1,37,13,98	1,60,79,27	—23,65,29
1920-21	1,35,10,35	1,48,03,61	—12,93,26	1,35,63,32	1,61,64,17	—26,00,85
1921-22	1,13,15,32	1,41,94,52	—28,79,20	1,15,21,50	1,42,86,52	—27,65,02
1922-23	1,20,70,17	1,37,95,52	—17,25,35	1,21,41,29	1,36,43,05	—15,01,76

STATEMENT II.

Calculation of the net contribution from Railways to General Revenues in 1924-25.

(See paragraph 41 of speech.)

(Figures in thousands of rupees.)

			Revised Estimate, 1923-24.
A.	(i) Capital at charge, all lines		6,45,80,91
	<i>Deduct—</i>		
	(a) for strategic lines	26,50,37	
	(b) for capital contributed by Indian States and Railway Companies	74,90,40	1,01,40,77
	(ii) Capital at charge, commercial lines		5,44,40,14
	(iii) Contribution at $\frac{1}{4}$ ths of 1 per cent.		4,53,67
B.	(i) Gross traffic receipts, all lines		94,22,02
	<i>Deduct—</i> Receipts, strategic lines		1,97,23
	(ii) Gross traffic receipts, commercial lines		92,24,79
	(iii) Working expenses, all lines		60,96,00
	<i>Deduct—</i> Expenses, strategic lines		2,28,17
	(iv) Working expenses, commercial lines		58,67,83
	(v) Share of surplus profits paid to Indian States and Rail- way Companies		1,11,42
	(vi) Net receipts, commercial lines [(ii) <i>minus</i> (iv) and (v)]		59,79,25
	<i>Add—</i> Subsidized Companies, Government share of surplus profits		23,27
	(vii) Total net receipts		32,08,51
	(viii) Interest on capital at charge, all lines		17,37,98
	<i>Deduct—</i> Interest, strategic lines		1,01,76
	(ix) Interest on capital at charge, commercial lines		16,36,22
	(x) (a) Interest portion of annuities in purchase of railways		3,11,34
	(b) Interest on capital contributed by Indian States and Railway Companies		3,11,79
	(xi) Total interest charges, commercial lines		22,59,35
	(xii) Land and subsidy		7,41
	(xiii) Miscellaneous Railway expenditure		16,72
	(xiv) Total (xi), (xii) and (xiii)		22,83,48
	(xv) Net gain from commercial lines (vii) <i>minus</i> (xiv)		9,85,33
	(xvi) Contribution at $\frac{1}{4}$ ths of 1 per cent. on capital at charge [A (iii)]		4,53,67
	(xvii) Surplus profits		5,31,66
	(xviii) $\frac{1}{4}$ th of surplus profits		1,06,33
	(xix) Total contribution [(xvi) <i>plus</i> (xviii)]		5,60,00
	(xx) <i>Deduct—</i>		
	(a) loss in working strategic lines	30,94	
	(b) interest on capital at charge, strategic lines	1,01,76	
	(xxi) Net contribution		1,32,70
			4,27,30

NOTE. The contribution will in future years be calculated on the actual results of the penultimate year's working; but in 1924-25, the year of inception of the new system, on the results of the working in 1923-24. The net contribution of 4,27,30 shown in this statement is therefore subject to adjustment when the actuals of 1923-24 are known.

STATEMENT III.

Comparison of the contribution from Railways to General Revenues in the year 1924-25 under the present and proposed (separation) systems.

(See paragraph 41 of speech.)

(Figures in thousands of rupees.)

Present system.		Proposed system.	
	Budget Estimate, 1924-25.		Budget Estimate, 1924-25.
(i) Gross traffic receipts . . .	97,06,92	(i) Gross traffic receipts . . .	97,01,92
<i>Deduct—</i>		<i>Deduct—</i>	
(a) Working Expenses . . .	61,38,04	(a) Working Expenses . . .	65,23,04
(b) Share of Surplus Profits paid to Indian States and Railway Companies . . .	1,14,87	(b) Share of Surplus Profits paid to Indian States and Railway Companies . . .	1,14,87
(ii) Net receipts . . .	24,54,01	(ii) Net receipts . . .	30,64,01
(iii) Subsidized Companies, Government share of surplus profits . . .	25,92	(iii) Subsidized Companies, Government share of surplus profits . . .	25,92
(iv) Total net receipts . . .	29,43,93	(iv) Total net receipts . . .	30,94,93
(v) (a) Interest on capital at charge . . .	19,18,05	(v) (a) Interest on capital at charge . . .	19,18,05
(b) Interest portion of annuities in purchase of railways . . .	2,97,56	(b) Interest portion of annuities in purchase of railways . . .	2,97,56
(c) Interest on capital contributed by Indian States and Railway Companies . . .	2,80,09	(c) Interest on capital contributed by Indian States and Railway Companies . . .	2,80,09
(vi) Land and subsidy . . .	16,00	(vi) Land and subsidy . . .	16,00
(vii) Miscellaneous Railway expenditure . . .	22,45	(vii) Miscellaneous Railway expenditure . . .	22,45
(viii) Total (v), (vi) and (vii) . . .	25,34,15	(viii) Total (v), (vi), (vii) and (viii) . . .	26,07,63
(ix) Net contribution from Railways to General revenues [(iv) minus (viii)] . . .	4,15,78	(ix) Net contribution from Railways to General revenues [(iv) minus (ix)] . . .	4,27,30

NOTE.—The figure for Working Expenses is 1,45,00 less under the proposed (separation) system than under the present system, because:—

- (i) As an integral part of the proposed system the allocation of expenditure on renewals between Capital and Revenue will be revised; and with the revised allocation 1,15,00 is expected to be charged to Capital next year, which, under the present system, must be charged to Revenue.
- (ii) Under the present system 30 lakhs must be charged to Working Expenses next year, in order to write down to market prices the value of stores in stock, and to write off out of Revenue the loss involved in the sale of surplus and obsolete stores. Under the proposed (separation) system, this charge will be met from the Railway reserves.

It will be observed that this figure of 1,45,00 is the equivalent of (1) the increase of 11,52 in the contribution expected to be made from Railways to General revenues under the proposed (separation) system, and (2) the amount of 1,33,48 expected to be carried to Railway reserves.

BUDGET

OF THE

GOVERNMENT OF INDIA,

MARCH 1924.

ACCOUNTS	1922-23
REVISED ESTIMATES	1923-24
BUDGET ESTIMATES	1924-25

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1.—General Statement of the Revenue and Expenditure charged to

	For details, vide State- ment.	Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		₹	₹	₹	₹
Revenue—					
Principal Heads of Revenue—					
Customs	A	41,34,65,312	45,01,41,000	40,41,53,000	45,01,82,000
Taxes on Income	"	17,99,41,150	19,04,64,000	19,07,45,000	18,21,97,000
Salt	"	6,82,46,112	11,75,00,000	8,70,27,000	10,54,62,000
Opium	"	3,78,92,068	3,03,12,000	4,80,64,000	4,83,60,000
Other Heads	"	2,34,00,268	2,41,97,000	2,31,27,000	2,22,32,000
TOTAL PRINCIPAL HEADS		72,29,44,960	82,27,14,000	74,84,16,000	80,34,33,000
 Railways: Net Receipts	A	 26,82,98,476	 31,76,58,000	 32,37,87,000	 30,94,93,000
Irrigation: Net Receipts	"	10,90,752	10,83,000	11,20,000	12,47,000
Posts and Telegraphs: Net Receipts	"	1,22,29,448	2,08,32,000	84,94,000	1,06,12,000
Interest Receipts	"	1,15,70,696	2,50,96,000	3,24,25,000	3,17,25,000
Civil Administration	"	44,34,528	62,08,000	67,49,000	72,01,000
Currency, Mint and Exchange	"	3,62,03,131	2,69,26,000	3,07,68,000	3,63,86,000
Civil Works	"	14,38,067	10,69,000	13,19,000	12,36,000
Miscellaneous	"	62,46,625	48,34,000	3,23,44,000	67,48,000
Military Receipts	"	5,73,78,865	3,04,87,000	4,19,53,000	2,75,16,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments	"	9,22,93,608	9,21,36,000	9,22,29,000	7,72,11,000
TOTAL REVENUE		1,21,41,29,156	1,34,90,43,000	1,31,96,04,000	1,31,28,08,000^(a)
DEFICIT		15,01,76,392	...	...	...
TOTAL		1,36,43,05,548	1,34,90,43,000	1,31,96,04,000	1,31,28,08,000

(a) If the detailed figures for Railway Revenue and Expenditure in the Budget estimates for 1924-25 are eliminated and only the total estimates of revenue and expenditure will amount respectively to ₹1,04,60,45,600 and ₹1,04,56,87,000.

M. F. GAUNTLETT

Auditor General.

DELHI,
FINANCE DEPARTMENT,
The 29th February 1924.

Revenue of the Central Government, in India and in England.

	For details, <i>vide</i> State- ment.	Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		R	R	R	R
Expenditure—					
Direct Demands on the Revenues	B	5,22,04,980	5,37,22,000	5,60,92,000	5,55,45,000
Railways Interest and Miscellaneous Charges	"	25,60,99,247	27,91,32,000	26,09,87,000	26,67,63,000
Irrigation	"	18,76,391	14,20,000	16,51,000	22,85,000
Posts and Telegraphs	"	76,88,536	53,35,000	12,62,000	—12,29,000
Debt Services	"	16,15,89,540	17,21,57,000	16,74,88,000	18,15,15,000
Civil Administration	"	9,94,82,040	9,78,29,000	9,57,10,000	9,80,36,000
Currency, Mint and Exchange	"	1,03,09,731	1,13,11,000	1,05,32,000	77,31,000
Civil Works	"	1,34,81,040	1,76,63,000	1,61,11,000	2,06,50,000
Miscellaneous	"	5,20,56,088	5,15,39,000	4,80,13,000	4,88,73,000
Military Services	"	71,00,58,955	65,04,87,000	63,93,72,000	63,00,16,000
Miscellaneous adjustments between the Central and Provincial Governments	"	...	3,62,000	17,79,000	22,65,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,36,43,05,548	1,34,09,57,000	1,29,89,97,000	1,31,24,50,000^(a)
SURPLUS . . . . .		..	80,86,000	2,06,07,000	3,58,000
TOTAL		1,36,43,05,548	1,34,90,43,000	1,31,96,04,000	1,31,28,08,000

R4,27,30,000 payable by Railways to Central Revenues under the scheme for the separation of Railway finance is included on the revenue side.

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, <i>vide</i> State- ment.	RECEIPTS.			
		Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		R	R	R	R
Surplus	C	...	80,86,000	2,06,07,000	3,58,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards construction of State Railways.	"	25,26,557	4,51,26,000	...	80,24,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	"	66,22,99,053	33,15,56,000	37,11,64,000	36,95,87,000
Floating Debt (net incurred) . . . . .	"	..	...	...	...
Unfunded Debt (net incurred)	"	2,96,51,483	5,01,85,000	10,74,36,000	7,51,45,000
Deposits and Advances (net)	"	17,82,38,542	11,42,69,000	2,13,37,000	17,59,76,000
Loans and Advances by Central Government (net Repayments)	"	20,42,338	6,67,000	20,44,000	6,70,000
Remittances (net)	"	37,92,494	...	...	3,38,000
Balances of Provincial Governments (net)	"	6,84,730	...	5,05,37,500	...
TOTAL DEBT, DEPOSITS AND ADVANCES . . . . .	...	87,66,58,640	49,66,77,000	55,25,18,000	62,17,13,000
TOTAL RECEIPTS . . . . .	...	87,94,85,197	54,98,89,000	57,31,25,000	63,00,98,000
Opening Balance—India . . . . .	...	25,66,13,170	23,89,55,170	25,95,80,424	22,93,65,424
England . . . . .	...	8,99,53,817	7,41,81,817	9,82,19,688	11,80,01,688
TOTAL . . . . .	...	1,22,60,52,184	86,30,28,987	93,09,23,112	97,77,85,112

M. F. GAUNLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
The 29th February 1924.

Central Government, in India and in England.

	For details, vide State ment.	DISBURSEMENTS.			
		Accounts, 19-2-3.	Budget Estimate, 19-3-24.	Revised Estimate, 19-3-24.	Budget Estimate, 1924-25.
		R	R	R	R
Deficit	C	15,01,76,392	...	...	...
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways	"	18,43,42,305	38,63,95,000	23,60,64,000	30,00,00,000
Capital outlay on Indian Postal and Telegraph Department	"	65,62,006	94,30,000	96,65,000	1,73,95,000
Construction of Irrigation Works	"	2,25,219	22,000	7,000	..
Initial expenditure on new Capital at Delhi	"	1,84,79,432	1,97,00,000	1,82,00,000	1,47,00,000
Payments for discharge of Debentures (net)	"	63,34,021	4,51,26,000	1,04,07,000	1,44,86,000
Redemption of Liabilities involved in the purchase of Railways . . . . .	"	...	...	...	27,07,03,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS . . . . .	...	21,59,42,983	46,06,73,000	27,43,43,000	61,72,84,000
Debt, Deposits and Advances—					
Permanent Debt (net discharged)	C	...	...	...	...
Floating Debt (net discharged)	"	40,61,80,000	5,50,00,000	19,46,00,000	2,13,00,000
Deposits and Advances (net) . . . . .	"	...	...	...	...
Loans and Advances by Central Government (net Advances) . . . . .	"	...	...	...	...
Loans between Central and Provincial Governments (net Advances)	"	9,59,52,697	13,46,77,000	11,82,26,000	12,72,62,000
Remittances (net)	"	...	80,15,000	10,69,000	...
Balances of Provincial Governments (net)	"	...	1,20,12,000	...	2,33,23,000
TOTAL DEBT, DEPOSITS AND ADVANCES . . . . .	...	50,21,32,697	20,97,04,000	30,88,95,000	17,18,85,000
TOTAL DISBURSEMENTS . . . . .	...	86,82,52,072	67,03,77,000	58,32,38,000	78,91,69,000
Closing Balance—India . . . . .	...	25,95,80,424	14,76,21,170	22,96,85,424	14,11,75,424
England . . . . .	...	9,82,19,688	4,50,80,817	11,80,01,688	4,74,40,688
TOTAL . . . . .	...	1,22,60,52,184	86,30,28,987	93,09,25,112	97,77,85,112

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

A.—Statement of the Revenue of the

HEADS OF REVENUE.	ACCOUNTS, 1922-23				REVISED ESTIMATE,		
	India	* England.	Exchange	TOTAL	India.	* England.	Exchange
	R	R	R	R	R	R	R
Principal Heads of Revenue—							
I—Customs	41,34,65,362	...	...	41,34,65,362	40,41,53,000	...	.
II—Taxes on Income	17,99,41,150	..	..	17,99,41,150	19,07,45,000	...	...
III.—Salt	6,82,47,112	...	..	6,82,46,112	8,70,37,000	...	...
IV—Opium	3,75,92,068	...	...	3,78,92,068	4,30,64,000	...	...
V—Land Revenue	42,93,120	...	...	42,93,120	44,65,000	...	...
VI—Excise	51,68,531	...	.	51,68,531	48,87,000	...	...
VII.—Stamps—							
A—Non-judicial	8,34,195	...	...	8,34,195	8,99,000	...	...
B—Judicial	1,76,196	...	..	16,76,196	18,72,000	...	...
VIII—Forest	25,28,572	...	.	25,28,572	24,36,000	...	...
IX.—Registration	1,49,431	...	...	1,49,431	1,49,000	..	...
X—Tributes from Indian States	87,50,223	...	...	87,50,223	87,26,000	...	...
TOTAL	72,29,44,980	..	.	72,29,44,960	74,84,16,000	...	...
Railways—							
XI.—State Railways—							
Gross Receipts	93,14,77,517	4,83,362	2,53,339	93,22,14,218	94,15,00,000	4,83,000	2,19,000
Deduct—Working Expenses	65,96,16,125	...	...	65,96,16,125	60,96,00,000	...	...
Surplus Profits paid to Companies	69,40,501	.	..	69,40,501	1,11,42,000	...	...
Net Receipts	26,49,20,891	4,83,362	2,53,339	26,56,57,592	32,07,58,000	4,83,000	2,19,000
XII.—Subsidised Companies	7,82,523	11,95,423	6,62,933	26,40,884	5,16,000	12,45,000	5,66,000
TOTAL	26,57,03,414	16,78,785	9,16,277	26,82,98,476	32,12,74,000	17,28,000	7,85,000
Irrigation, etc.—							
XIII.—Works for which Capital accounts are kept	10,84,943	...	..	10,84,943	11,91,000	—65,000	—29,000
XIV.—Works for which no Capital accounts are kept	5,809	...	...	5,809	23,000	...	..
TOTAL	10,90,752	...	...	10,90,752	12,14,000	—65,000	—29,000
Posts and Telegraphs—							
XV.—Gross Receipts	9,89,28,881	15,72,538	8,15,058	10,13,14,477	10,12,24,000	16,00,000	7,37,000
Deduct—Working Expenses	8,85,89,711	3,23,517	1,71,301	8,90,85,029	9,21,84,000	19,75,000	8,98,000
Net Receipts	1,03,37,170	12,49,021	6,43,257	1,22,29,448	90,40,000	—3,75,000	—1,71,000
Interest Receipts—							
XVI.—Interest	89,34,027	17,40,666	8,96,003	1,15,70,696	85,09,000	1,61,42,000	74,74,000
Carried over	1,00,90,10,323	46,68,472	24,55,537	1,01,61,34,332	1,08,84,53,000	1,77,30,000	80,59,000

* Sterling converted into Rupees at £1=Rs 10

BUDGET FOR 1924-25

entral Government, in India and in England.

23-21	Increase (+) Decrease (-) as compared with Budget Estimate 1923-24	BUDGET ESTIMATE 1924-25				Increase (+) Decrease (-) as compared with Budget, 1923-24	Increase (+) Decrease (-) as compared with Revised 1923-24
TOTAL		India	England	Exchange	TOTAL		
R	R	R	R	R	R	R	R
40,41,53,000	-1,67,84,000	45,01,82,000			45,01,82,000	-7,59,000	+4,60,23,000
19,07,15,000	+2,81,000	18,21,97,000			18,21,97,000	-82,37,000	-85,48,000
8,70,27,000	-3,04,73,000	10,54,60,000			10,54,62,000	-1,20,38,000	+1,84,35,000
4,30,64,000	+57,52,000	4,32,60,000			4,33,63,000	+40,48,000	+2,90,000
44,68,000	+74,000	39,62,000		...	39,62,000	-4,30,000	-5,06,000
48,87,000	-3,71,000	45,53,000		.	45,53,000	-7,05,000	-3,84,000
8,99,000	-67,000	9,65,000			9,05,000	-61,000	+6,000
18,72,000	+2,57,000	18,22,000			18,22,000	+2,07,000	-50,000
24,26,000	-10,31,000	21,96,000			21,96,000	-12,61,000	-2,30,000
1,49,000	-13,000	1,43,000			1,43,000	-19,000	-6,000
87,26,000	+81,000	86,51,000			86,51,000	+6,000	-75,000
74,84,16,000	-7,42,94,000	80,84,33,000	.	..	80,84,33,000	-1,92,81,000	+5,50,17,000
94,22,02,000	-1,35,22,000	97,00,00,000	4,83,000	2,09,000	97,09,92,000	+1,49,68,000	-2,84,90,000
60,96,00,000	+2,05,50,000	63,23,04,000	..	.	65,23,04,000	-2,21,54,000	-4,27,04,000
1,11,42,000	-12,65,000	1,14,67,000		.	1,14,87,000	-18,10,000	-3,45,000
32,14,60,000	+57,63,000	30,62,09,000	4,83,000	2,09,000	30,69,01,000	-87,96,000	-1,43,59,000
23,27,000	+3,66,000	1,93,000	14,05,000	6,34,000	25,92,000	+6,31,000	+2,65,000
32,37,87,000	-4,61,29,000	30,67,02,000	19,48,000	8,43,000	30,94,93,000	-81,65,000	-1,42,94,000
(d) 10,97,000	+18,000	13,80,000	-64,000	-27,000	(e) 12,39,000	+1,60,000	+1,42,000
23,000	+19,000	8,000	...	...	8,000	+4,000	-15,000
11,20,000	+37,000	13,38,000	-64,000	-27,000	12,47,000	+1,64,000	+1,27,000
10,35,51,000	-36,32,000	10,48,79,000	8,20,000	3,55,000	10,60,54,000	-11,29,000	+25,03,000
9,50,57,000	-87,06,000	9,81,88,000	15,73,000	6,81,000	(f) 9,54,42,000	-90,91,000	-3,85,000
84,94,000	-1,23,88,000	1,10,91,000	-7,53,000	-3,26,000	1,06,12,000	-1,02,20,000	+21,15,000
3,24,25,000	+78,29,000	93,60,000	1,56,09,000	67,56,000	3,17,25,000	+66,29,000	-7,00,000
1,11,42,42,000	-7,31,41,000	1,13,20,24,000	1,67,40,000	72,46,000	1,15,65,10,000	-3,08,73,000	+4,22,68,000

(a) Of this amount Rs9,27,000 is non-voted and the balance of Rs4,88,77,000 is voted.

(b) The whole of this amount is voted.

(c) The difference of Rs4,27,80,000 between the total receipts under Railways in this statement and the total expenditure under Railway Revenue and the contribution payable to Central Revenues under the scheme for the separation of Railway finance.

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1922-23.				REVISED ESTIMATE,		
	India.	England.	Exchange	TOTAL.	India.	England.	Exchange.
	R	R	R	R	R	R	R
Brought forward	1 00 90 10,323	46,68,472	24,55 537	1,01,61,31,332	1,08,84,53,000	1,77,30,000	80,52,000
Civil Administration—							
XVII.—Administration of Justice	3,56 160	...	...	3,56,160	4,29,000	...	...
XVIII.—Jails and Convict Settlements	7,74 799	...	...	7,74,799	7,91,000	...	...
XIX.—Police	10,10 458	...	...	10,10,458	1,20,000	...	...
XX.—Ports and Pilotage	21 21,104	...	...	21,21,104	21,44,000	...	...
XXI.—Education	1,21,778	...	...	1,21,778	1,59,000	...	...
XXII.—Medical	63,755	686	384	64,825	1,14,000	...	...
XXIII.—Public Health	1,32 471	...	...	1,32,471	70,000	...	...
XXIV.—Agriculture	5,68 611	...	...	5,68,611	9,22,000	...	...
XXV.—Industries	2,020	...	...	2,020	1,000	...	...
XXVI.—Miscellaneous Departments	13,27,257	...	...	13,27,257	20,19,000	...	...
TOTAL	44,33 158	686	384	44,34,528	67,49,000	..	...
Currency, Mint and Exchange—							
XXVII.—Currency	3,12,03,330	14,70,102	8,30,279	3,35,08,720	2,73,87,000	14,57,000	6,63,000
XXVIII.—Mint	26,94 063	228	120	26,94,411	13,10,000	1,000	...
TOTAL	3,39,02,402	14,70,330	8,30,399	3,62,03,131	2,86,47,000	14,58,000	6,63,000
Civil Works—							
XXX.—Civil Works	14,38,067	...	...	14,38,067	13,19,000	...	...
Miscellaneous—							
XXXIII.—Receipts in aid of Superannuation	22,93,809	3,64,808	1,92,002	28,50,509	20,04,000	3,60,000	1,64,000
XXXIV.—Stationery and Printing	17,01,574	11,204	8,353	17,19,131	13,70,000	7,000	3,000
XXXV.—Miscellaneous	5,88,047	7,03,608	3,85,430	16,76,985	1,28,000	1,96,88,000	89,26,000
TOTAL	45,83,280	10,79,610	5,83,785	62,46,625	32,46,000	2,00,05,000	90,93,000
Military Receipts—							
XXXVI.—Army—							
Effective	3,36,22,667	74,81,527	38,67,736	4,49,71,920	2,86,13,000	38,20,000	17,37,000
Non-effective	10,85,290	16,25,970	7,89,713	34,00,973	9,98,000	12,12,000	5,51,000
	3,47,07,957	90,07,497	46,57,439	4,83,72,893	2,46,11,000	50,32,000	22,88,000
XXXVII.—Marine	32,72,538	...	...	32,72,538	29,99,000	...	...
XXXVIII.—Military Works	57,33,434	...	...	57,33,434	70,23,000	...	...
TOTAL	4,87,13,929	90,07,497	46,57,439	5,73,78,865	3,46,33,000	50,32,000	22,88,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
XXXIX.—Contributions and Assignments to the Central Government by Provincial Governments	9,20,00,000	...	...	9,20,00,000	9,30,00,000	...	...
XL.—Miscellaneous adjustments between the Central and Provincial Governments	2,92,603	...	...	2,92,603	2,29,000	...	...
TOTAL	9,22,93,603	...	...	9,22,93,603	9,22,29,000	...	...
TOTAL REVENUE	1,18,93,75,017	1,62,26,595	85,27,544	1,21,41,29,156	1,26,52,78,000	4,42,25,000	2,01,08,000

Government, in India and in England—continued.

1923-24.	Increase (+) Decrease (-) as compared with Budget Estimate, 1923-24	BUDGET ESTIMATE, 1924-25.				Increase (+) Decrease (-) as compared with Budget 1923-24.	Increase (+) Decrease (-) as compared with Revised, 1923-24
TOTAL.		India.	England.	Exchange.	TOTAL.		
R	R	R	R	R	R	R	R
1,11,42,42,000	-7,81,41,000	1,13,25,21,000	1,67,10,000	72,46,000	1,15,65,10,000	-3,08,73,000	+1,22,68,600
4,29,000	+15,000	1,17,000	..	..	4,47,000	+63,000	+18,000
7,41,000	-1,18,000	7,81,000	...	...	7,81,000	-1,25,000	-7,000
1,20,000	-41,000	98,000	...	...	98,000	-64,000	-22,000
21,14,000	-3,07,000	22,19,000	...	...	22,19,000	-2,04,000	+1,05,000
1,38,000	+6,000	1,30,000	...	...	1,30,000	-8,000	-9,000
1,14,000	+7,000	1,01,000	...	...	1,09,000	+2,000	-5,000
70,000	-52,000	80,000	...	...	80,000	-12,000	+10,000
9,22,000	+4,21,000	10,30,000	...	...	10,30,000	+5,29,000	+1,03,000
1,000	+1,000	...	...	...	...	...	-1,000
20,19,000	+5,82,000	22,74,000	...	...	22,74,000	+8,37,000	+2,55,000
67,49,000	+5,41,000	72,01,000	..	..	72,01,000	+9,98,000	+1,52,000
2,94,57,000	+30,22,000	2,97,41,000	34,88,000	15,10,000	3,47,39,000	+83,01,000	+52,82,000
13,11,000	+8,20,000	16,46,000	1,000	...	16,47,000	+11,56,000	+3,36,000
3,07,68,000	+38,42,000	3,13,87,000	34,89,000	15,10,000	3,63,86,000	+94,00,000	+56,18,000
13,19,000	+2,50,000	12,36,000	...	...	12,36,000	+1,67,000	-83,000
25,28,000	+6,000	19,76,000	3,48,000	1,51,000	24,75,000	-47,000	-53,000
13,10,000	+2,03,000	8,53,000	7,000	3,000	8,63,000	+3,14,000	-5,17,000
2,84,86,000	+2,78,01,000	5,08,000	20,29,000	8,78,000	34,10,000	+22,75,000	-2,50,26,000
3,23,41,000	+2,75,10,000	33,32,000	23,84,000	10,32,000	67,48,000	+16,14,000	-2,55,96,000
2,91,70,000	+52,92,000	1,62,70,000	35,85,000	15,51,000	2,14,06,000	-25,82,000	-77,64,000
27,61,000	-30,000	9,77,000	10,85,000	4,70,000	25,34,000	-2,59,000	-2,19,000
3,19,31,000	+52,02,000	1,72,47,000	43,70,000	20,21,000	2,39,38,000	-27,91,000	-79,93,000
29,99,000	+8,70,000	14,92,000	...	...	14,92,000	-6,37,000	-15,07,000
70,23,000	+53,94,000	20,8,000	...	...	20,86,000	+4,57,000	-49,37,000
4,19,53,000	+1,14,66,000	2,08,25,000	48,70,000	20,21,000	2,75,16,000	-29,71,000	-1,44,37,000
9,20,00,000	...	7,70,12,000	...	...	7,70,12,000	-1,49,88,000	-1,49,88,000
2,29,000	+93,000	1,99,000	...	...	1,99,000	+63,000	-30,000
9,22,29,000	+93,000	7,72,11,000	...	...	7,72,11,000	-1,49,25,000	-1,50,18,000
1,31,96,04,000	-2,94,89,000	1,27,37,18,000	2,72,83,000	1,18,00,000	1,31,28,08,000 ^(a)	-5,62,95,000	-67,96,000

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE	ACTUALS, 1922-23				REVISED ESTIMATE		
	India.	England.	Exchange	Total	India	England	Exchange.
	R	R	R	R	R	R	R
Direct Demands on the Revenues—							
1.—Customs	19,304.78	80,013	11,929	79,62,003	69,91,000	1,37,000	62,000
2.—Taxes on Income	11,91,78	10,093	21,403	41,56,136	61,40,000	36,000	16,000
3.—Salt	1,70,17,071	5,471	31,022	1,51,06,117	1,41,86,000	5,000	25,000
4.—Opium	1,8,01,910	39,412	2,12,78	1,86,60,613	2,77,41,000	60,000	31,000
5.—Land Revenue	12,6,50	2,887	11,154	13,37,101	11,10,000	51,000	23,000
6.—Excise	1,12,633	1,095	6,815	2,72,536	2,10,000	10,000	5,000
7.—Stamps—							
A.—Non-judicial	11,07,404	14,21,757	9,25,031	13,42,327	39,81,000	3,20,000	1,15,000
B.—Judicial	31,09,100	5,18,302	2,70,010	38,97,417	32,11,000	5,18,000	2,36,000
8.—Forts	4,16,33	...	...	40,643	36,000	...	...
9.—Regulation . . . . .	...	...	...	...	...	...	...
TOTAL	4,82,05,755	26,05,062	13,33,503	5,22,01,980	5,43,54,000	11,95,000	5,13,000
Railway Revenue Account—							
10.—State Railways	9,83,08,192	4,24,38,620	2,26,50,537	16,34,17,349	11,05,14,000	4,34,87,000	1,97,67,000
Interest on Debt	...	...	...	...	...	...	...
Interest on Capital contributed by Companies	3,88,034	2,19,52,849	1,13,14,729	3,35,55,612	4,30,000	2,11,40,000	96,09,000
Amounts in purchase of Railways	...	3,35,77,110	1,77,2,227	5,13,8,377	...	3,35,75,000	1,52,61,000
Sinking Funds	9,43,460	31,73,515	16,40,322	47,13,837	7,11,000	32,73,000	14,88,000
11.—Subsidies to Companies	2,50,196	15,83,403	8,21,315	20,99,602	5,97,000	15,60,000	7,09,000
12.—Miscellaneous Railway Expenditure	...	...	...	...	...	...	...
12A.—Surplus Revenue transferred to Reserve	...	...	...	...	...	...	...
TOTAL	9,94,39,490	10,24,70,607	5,41,89,100	25,60,99,247	11,11,18,000	10,80,35,000	4,68,34,000
Irrigation, etc., Revenue Account—							
14.—Works for which Capital accounts are kept—							
Interest on Debt	12,18,832	...	9,534	12,18,832	12,33,000	...	16,000
15.—Other Revenue Expenditure	98,601	18,247	...	1,26,382	2,08,000	34,000	...
TOTAL	13,17,483	18,247	9,534	13,45,264	14,41,000	34,000	16,000
Irrigation, etc., Capital Account (charged to Revenue)—							
16.—Construction of Irrigation, etc., Works—financed from Ordinary Revenues.	30,127	...	...	30,127	1,60,000	...	...
Posts and Telegraphs Revenue Account—							
17.—Posts and Telegraphs—Interest on Debt	59,16,002	...	...	59,16,002	63,60,000	...	...
Posts and Telegraphs Capital Account (charged to Revenue)—							
18.—Capital outlay on Posts and Telegraphs—Indian Postal and Telegraph Department	36,73,788	38,14,852	20,37,524	21,78,588	18,12,000	15,00,000	6,82,000
Indo-European Telegraph Department	5,07,310	1,26,414	64,892	3,96,051	3,63,000	72,000	33,000
TOTAL	42,81,148	39,41,266	21,02,416	17,82,534	71,75,000	14,28,000	6,49,000
Debt Services—							
19.—Interest on Ordinary Debt	17,06,33,511	8,65,97,278	4,55,69,437	30,88,20,526	19,22,00,000	10,27,16,000	4,66,89,000
Deduct—Amount chargeable to—							
Railways	9,83,08,192	4,24,38,620	2,26,50,537	16,34,47,349	11,05,14,000	4,34,87,000	1,97,67,000
Irrigation	12,18,832	...	...	12,18,832	12,33,000	...	...
Posts and Telegraphs	59,16,002	...	...	59,16,002	63,60,000	...	...
Provincial Governments	3,02,00,692	...	...	3,02,00,692	3,74,90,000	...	...
Remainder chargeable to Ordinary Debt	4,09,50,043	4,41,68,658	2,29,18,900	10,80,37,601	3,65,73,000	5,91,29,000	2,89,22,000
20.—Interest on other Obligations	3,06,19,037	51,860	25,231	3,06,95,628	3,08,54,000	70,000	35,000
21.—Reduction or Avoidance of Debt	1,54,00,000	50,00,000	24,56,311	2,28,56,311	73,61,000	14,26,000	20,12,000
TOTAL	8,60,69,080	4,04,20,018	2,44,00,442	16,15,89,540	7,47,88,000	6,87,31,000	2,89,69,000
Carried over	28,76,76,789	15,82,55,500	8,80,35,105	47,89,67,694	24,10,46,000	16,84,23,000	7,50,11,000

of the Central Government, in India and in England.

1923-24*		BUDGET ESTIMATE, 1924-25.							
TOTAL	Increase (+) Decrease (-) as compared with Budget, 1923-24	India	England	Finland	TOTAL	Increase (+) Decrease (-) as compared with Budget, 1923-24	Increase (+) Decrease (-) as compared with Revised, 1923-24	DISTRIBUTION OF TOTAL BETWEEN	
R	R	R	R	R	R	R	R	Voted.	Non-voted
71,93,000	-7,000	81,70,000	1,30,000	56,000	83,56,000	+11,06,000	+11,63,000	73,97,000	9,59,000
64,98,000	+1,10,000	61,53,000	16,000	20,000	65,19,000	-1,10,000	+21,000	61,48,000	3,71,000
1,42,65,000	-1,53,000	1,14,10,000	62,000	27,000	1,15,35,000	-9,15,000	+2,70,000	1,09,25,000	38,43,000
2,58,43,000	+70,12,000	2,08,01,000	73,000	32,000	2,69,08,000	+20,77,000	-10,35,000	2,08,02,000	1,06,000
11,83,000	+17,000	12,73,000	11,000	18,000	12,97,000	+1,71,000	+1,51,000	12,15,000	1,22,000
2,45,000	-26,000	2,36,000	21,000	9,000	2,66,000	-5,000	+21,000	1,57,000	1,09,000
-35,16,000	-31,96,000	-8,12,000	5,00,000	-16,000	-56,000	-2,21,000	+34,20,000	1,55,000	18,000
3,20,000	+2,77,000	2,61,000	...	...	2,69,000	+2,26,000	-51,000	28,32,000	5,82,000
40,25,000	-5,55,000	28,95,000	3,62,000	1,57,000	33,14,000	-11,96,000	-1,11,000	33,000	4,000
36,000	-6,000	37,000	...	...	37,000	-5,000	+1,000	...	...
5,60,92,000	+23,70,000	5,37,73,000	12,37,000	5,35,000	5,55,45,000	+13,23,000	5,47,000	4,91,81,000	61,14,000
17,37,98,000	-10,51,060	12,11,3,000	4,72,9,000	2,04,33,000	19,18,05,000	+40,15,000	+1,80,07,000	...	19,15,05,000
3,11,70,000	-10,51,000	4,70,000	1,92,20,000	83,19,000	2,80,09,000	-42,21,000	-31,70,000	...	2,80,09,000
4,88,36,000	-15,20,000	...	2,07,97,000	89,54,000	(a) 2,97,56,000	-2,66,06,000	-1,90,80,000	...	2,97,56,000
27,61,600	-1,49,000	...	...	...	(b) 45,00,000	-49,10,000	-47,61,000	...	...
7,41,000	-18,11,000	16,00,000	...	...	22,45,000	-9,80,000	+8,59,000	16,00,000	...
16,72,000	+4,22,000	13,21,000	18,51,000	8,02,000	1,53,48,000	+9,55,000	+5,73,000	11,06,000	10,49,000
2,09,87,000	-1,81,45,000	18,91,70,000	8,10,50,000	3,85,13,000	26,67,62,000	+1,33,48,000	+1,48,000	1,38,48,000	...
12,33,000	+1,45,000	12,41,000	...	...	12,41,000	+1,53,000	+8,000	...	12,41,000
2,58,000	+1,42,000	8,76,000	33,000	14,000	9,23,000	+8,07,000	+6,65,000	8,72,000	51,000
14,91,000	+2,87,000	21,17,000	33,000	14,000	21,64,000	+9,60,000	+6,73,000	8,72,000	12,92,000
1,60,000	-56,000	1,21,000	...	...	1,21,000	-95,000	-39,000	1,21,000	...
63,60,000	-4,68,000	71,00,000	...	...	71,00,000	+2,72,000	+7,40,000	...	71,00,000
-16,30,000	-34,56,000	-1,12,31,000	16,80,000	7,27,000	-88,74,000	-77,00,000	-42,44,000	-88,74,000	...
-4,68,000	-1,49,000	-3,92,000	6,53,000	2,84,000	5,45,000	+8,64,000	+10,18,000	5,45,000	...
-50,98,000	-36,05,000	-1,16,73,000	23,33,000	10,11,000	-83,29,000	-65,86,000	-32,31,000	-83,29,000	...
34,16,05,000	-1,20,88,000	20,00,00,000	10,48,90,000	4,54,00,000	35,02,90,000	-33,88,000	+86,85,000	...	...
17,37,98,000	+1,39,92,000	12,41,63,000	4,72,09,000	2,04,33,000	19,18,05,000	-40,15,000	-1,80,07,000	...	...
12,33,000	-1,45,000	12,41,000	...	...	12,41,000	-1,53,000	-8,000	...	...
63,60,000	+4,68,000	71,00,000	...	...	71,00,000	-2,72,000	-7,40,000	...	...
3,74,90,000	+26,25,000	4,46,08,000	...	...	4,46,08,000	-45,93,000	-71,18,000	...	...
12,27,24,000	+47,72,000	2,28,88,000	5,76,81,000	2,49,67,000	10,55,36,000	-1,24,16,000	-1,71,88,000	2,10,000	10,34,30,000
3,69,65,000	-11,96,000	3,68,08,000	70,000	30,000	3,61,66,000	+42,45,000	-54,41,000	3,33,000	1,00,000
1,37,90,000	-32,45,000	99,81,000	2,06,88,000	80,64,000	3,85,73,000	+1,76,29,000	+2,87,74,000	...	3,95,73,000
16,74,88,000	-46,89,600	6,91,28,000	7,84,49,000	3,30,51,000	16,15,15,000	+9,58,000	+1,40,27,000	3,34,12,000	14,11,03,000
46,74,50,000	-2,42,36,000	25,97,38,000	17,10,92,000	7,40,54,000	50,48,79,000	-66,87,000	+1,78,39,000	9,60,51,000	40,88,28,000

* In the interest portion of the annuities, the capital portion being included under the head "21—Reduction or Avoidance of Debt."

D.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	ACCOUNTS, 1922-23.				REVISED ESTIMATE,		
	India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.
	R	R	R	R	R	R	R
Brought forward	23,76,78,789	15,82,55,800	8,31,35,105	47,89,67,694	24,10,46,000	16,94,23,000	7,70,11,000
Civil Administration—							
22.—General Administration—							
A.—Heads of Provinces (including Governor General) and Executive Councils					24,47,000	...	...
B.—Legislative Bodies					7,27,000	...	...
C.—Secretariat and headquarters establishment	1,26,83,295	...	...	1,26,83,295	67,74,000	...	...
D.—Commissioners					8,000	...	...
E.—District Administration					15,75,000	...	...
F.—Home Administration, etc.	...	51,07,680	26,26,147	77,33,827	...	32,39,000	14,72,000
23.—Audit	70,28,026	3,18,345	1,66,779	75,13,150	70,40,000	2,71,000	1,23,000
24.—Administration of Justice	9,99,342	73,088	38,316	11,10,746	12,70,000	82,000	37,000
25.—Jails and Convict Settlements	40,35,289	29,527	15,702	40,80,518	36,76,000	49,000	22,000
26.—Police	87,15,672	1,52,451	79,272	89,47,395	82,54,000	1,91,000	87,000
27.—Ports and Pilotage	20,12,187	1,55,432	88,749	22,51,368	21,60,000	1,19,000	54,000
28.—Ecclesiastical	25,65,461	2,66,376	1,40,438	29,72,275	25,93,000	2,78,000	1,26,000
29.—Political	2,91,71,976	5,86,237	3,10,466	3,03,68,679	3,04,10,000	3,89,000	1,77,000
30.—Scientific Departments	81,28,501	6,20,832	3,28,422	90,77,755	79,02,000	5,65,000	2,57,000
31.—Education	30,16,332	40,260	21,049	30,77,631	30,85,000	90,000	41,000
32.—Medical	25,64,110	4,43,132	2,29,735	32,36,977	23,89,000	3,43,000	1,58,000
33.—Public Health	15,29,878	47,630	25,241	16,02,755	15,22,000	65,000	30,000
34.—Agriculture	19,80,617	61,277	32,814	20,84,708	23,16,000	1,32,000	60,000
35.—Industries	11,033	15,779	7,996	34,608	21,000	41,000	19,000
36.—Aviation	46,009	1,104	599	47,712	22,000	1,000	...
37.—Miscellaneous Departments	20,77,528	3,51,808	1,79,405	26,08,641	19,48,000	15,03,000	3,84,000
TOTAL	8,68,75,646	82,70,264	42,86,180	9,94,32,040	8,61,39,000	65,80,000	29,91,000
Currency, Mint and Exchange—							
38.—Currency	27,56,168	39,18,338	20,89,700	87,14,206	30,80,000	41,06,000	18,66,000
39.—Mint	15,12,179	54,206	29,140	15,95,525	14,06,000	51,000	23,000
TOTAL	42,68,347	39,72,544	20,68,840	1,03,09,731	44,86,000	41,57,000	18,89,000
Civil Works—							
41.—Civil Works	1,32,97,744	1,19,926	63,370	1,34,81,040	1,59,32,000	1,23,000	56,000
Miscellaneous—							
43.—Famine Relief and Insurance—							
A.—Famine Relief	80,651	...	...	80,651	12,000	...	...
44.—Territorial and Political Pensions	27,37,384	1,15,633	60,260	29,13,727	28,53,000	1,24,000	56,000
45.—Superannuation Allowances and Pensions	37,66,423	2,11,47,540	1,11,80,499	3,60,44,468	13,12,000	2,03,55,000	92,52,000
46.—Stationery and Printing	40,42,494	14,24,492	7,48,184	62,15,170	38,83,000	18,79,000	8,54,000
47.—Miscellaneous	48,14,104	12,93,060	6,89,908	68,02,072	51,24,000	16,01,000	7,23,000
TOTAL	1,54,41,512	2,39,85,725	1,26,28,851	5,20,56,088	1,31,64,000	2,39,59,000	1,08,90,000
Military Services—							
48.—Army—							
Effective	44,33,06,927	7,37,96,971	3,74,68,758	55,35,72,656	39,59,98,000	6,80,80,000	3,00,57,000
Non-effective	4,15,19,947	3,42,12,042	1,77,55,505	9,34,87,494	4,00,83,000	3,62,48,000	1,64,76,000
	48,48,26,874	10,70,09,013	5,52,24,263	64,70,60,150	43,60,81,000	10,23,28,000	35,13,000
49.—Marine	99,77,625	36,49,400	13,71,593	1,39,98,618	60,89,000	25,96,000	11,80,000
50.—Military Works	4,67,09,652	15,28,886	7,61,649	4,90,00,187	4,33,84,000	8,60,000	3,91,000
TOTAL	54,15,14,151	11,11,87,209	5,73,57,405	71,00,58,855	48,55,04,000	10,57,84,000	4,80,84,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
52.—Miscellaneous adjustments between the Central and Provincial Governments	...	...	...	...	17,79,000	...	...
TOTAL EXPENDITURE CHARGED TO REVENUE	89,90,74,189	80,57,91,558	15,94,39,801	1,36,43,05,548	84,80,50,000	31,00,28,000	109,21,000

of the Central Government in India and in England—*continued*.

1923-24.		BUDGET ESTIMATE, 1924-25.							
TOTAL.	Increase (+) Decrease (—) as compared with Budget, 1923-24.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.	DISTRIBUTION OF TOTAL BETWEEN	
								Voted.	Non-voted.
R	R	R	R	R	R	R	R	R	R
48,74,80,000	-2,42,86,000	25,97,33,000	17,10,92,000	7,40,54,000	50,48,79,000	-68,57,000	+1,73,99,000	9,66,51,000	40,82,28,000
24,47,000	+12,000	24,02,000	...	...	24,02,000	-33,000	-45,000	99,05,000	65,58,000
7,27,000	-1,81,000	7,42,000	...	...	7,42,000	-1,66,000	+15,000		
67,74,000	+2,99,000	71,38,000	...	...	71,38,000	+5,93,000	+3,64,000	77,65,000	7,18,000
8,000	-8,000	8,000	...	...	8,000	-8,000	...		
15,75,000	-91,000	15,47,000	...	...	15,47,000	-1,22,000	-28,000	37,49,000	2,30,000
47,11,000	+5,72,000	...	32,29,000	13,97,000	46,26,000	+4,87,000	+10,49,000	9,14,000	3,86,000
71,34,000	-5,08,000	80,83,000	2,79,000	1,21,000	84,83,000	+5,43,000	-1,39,000	37,49,000	2,30,000
13,89,000	+3,17,000	11,32,000	82,000	20,000	12,51,000	+78,000	+2,32,000	73,78,000	9,99,000
37,47,000	-2,62,000	39,12,000	47,000	81,000	39,79,000	+1,97,000	+3,43,000	12,74,000	12,63,000
85,32,000	-1,48,000	86,10,000	1,86,000	76,000	88,77,000	+25,000	+2,04,000	...	39,31,000
23,33,000	-1,79,000	22,86,000	2,77,000	1,20,000	25,37,000	+49,000	+3,34,000	...	3,22,42,000
29,97,000	-2,86,000	29,34,000	4,67,000	2,02,000	33,31,000	+7,51,000	+23,98,000	61,08,000	18,25,000
2,98,44,000	-16,47,000	3,15,73,000	6,25,000	2,71,000	3,22,42,000	-9,60,000	-7,91,000	26,48,000	5,20,000
87,24,000	-1,69,000	70,37,000	75,000	32,000	79,32,000	-48,000	-43,000	18,32,000	10,59,000
32,16,000	...	30,61,000	3,32,000	1,44,000	28,91,000	+1,11,000	+3,000	5,44,000	8,29,000
28,58,000	+1,08,000	24,15,000	66,000	29,000	13,73,000	-2,97,000	-2,44,000	21,74,000	4,88,000
16,17,000	-53,000	12,78,000	99,000	43,000	26,62,000	+5,81,000	+1,54,000	61,000	20,000
25,08,000	+4,27,000	25,20,000	49,000	21,000	81,000	+5,000	...	20,000	2,000
81,000	+5,000	11,000	1,000	...	22,000	-2,000	-1,000	23,70,000	3,74,000
23,000	-1,000	20,000	5,16,000	2,23,000	27,44,000	-15,48,000	-13,91,000	...	...
41,35,000	-1,57,000	40,05,000	...	...	...	...	...	...	...
9,57,10,000	-21,19,000	8,87,15,000	65,05,000	28,16,000	9,80,36,000	+2,07,000	+23,26,000	4,72,42,000	5,07,94,000
90,52,000	-4,37,000	29,98,000	21,97,000	9,51,000	61,46,000	-33,48,000	-29,08,000	59,58,000	1,88,000
14,80,000	-3,42,000	14,88,000	68,000	29,000	15,55,000	-2,37,000	+1,05,000	14,31,000	1,54,000
1,05,32,000	-7,79,000	44,86,000	22,65,000	9,80,000	77,31,000	-35,80,000	-28,01,000	73,89,000	3,42,000
1,61,11,000	-15,52,000	2,04,75,000	1,22,000	53,000	2,06,50,000	+29,87,000	+45,39,000	1,39,69,000	66,81,000
12,000	+7,000	14,000	...	...	14,000	+9,000	+2,000	14,000	...
30,33,000	+47,000	28,29,000	1,15,000	50,000	29,94,000	+8,000	-39,000	...	29,94,000
3,09,19,000	-37,43,000	14,38,000	1,98,54,000	85,93,000	2,98,85,000	-47,77,000	-10,34,000	40,86,000	2,57,99,000
65,96,000	+5,96,000	41,08,000	7,06,000	3,06,000	51,20,000	-8,80,000	-14,76,000	50,24,000	96,000
74,53,000	-4,33,000	75,50,000	23,10,000	10,00,000	1,08,60,000	+29,74,000	+34,07,000	78,49,000	30,11,000
4,80,13,000	-35,26,000	1,59,39,000	2,29,85,000	99,49,000	4,88,73,000	-26,66,000	+8,60,000	1,69,73,000	3,19,00,000
48,21,15,000	-1,59,24,000	39,21,31,000	6,65,17,000	2,87,90,000	48,74,37,000	-2,08,02,000	-48,78,000	...	48,74,37,000
9,28,07,000	+28,50,000	3,96,59,000	3,60,92,000	1,56,22,000	9,13,73,000	+9,16,000	-14,34,000	...	9,13,73,000
58,49,22,000	-1,85,74,000	43,17,89,000	10,26,09,000	4,44,12,000	57,88,10,000	-1,96,86,000	-61,12,000	...	57,88,10,000
98,65,000	+2,29,000	55,97,000	24,02,000	10,79,000	91,68,000	-4,38,000	-6,97,000	...	91,68,000
4,45,85,000	+2,30,000	4,13,53,000	4,78,000	2,07,000	4,20,35,000	-3,17,000	-25,47,000	...	4,20,35,000
63,93,72,000	-1,11,15,000	47,87,39,000	10,55,79,000	4,58,98,000	63,00,16,000	-2,04,71,000	-98,56,000	...	63,00,16,000
17,79,000	+14,17,000	22,65,000	...	...	22,65,000	+19,03,000	+4,86,000	22,65,000	...
1,29,89,97,000	+19,60,000	87,02,52,000	80,55,48,000	13,35,50,000	1,31,24,50,000	-2,35,07,000	+1,94,53,000	18,44,89,000	1,12,79,61,000

(a) If the estimates of revenue expenditure on account of Railways shown in this statement is excluded under the separation scheme, the estimate of total expenditure will amount to Rs. 1,04,56,87,000.

Statement of Receipts and Disbursements of the

	Actual, 1922-23			Estimated, 1923-24			Budget Estimate, 1924-25		
	India	England	Total	India	England	Total	India	England	Total
	R	P	R	R	P	R	R	P	R
Revenue (including interest on loans)	7,017,100	1,120,000	8,137,100	12,571,000	1,120,000	13,691,000	17,811,000	2,700,000	20,511,000
Excess of Revenue over Expenditure charged to Revenue			-13,01,700			2,06,07,000			3,58,000
Railway Capital not charged to Revenue -									
Capital contributed by Railway Companies and Indian States towards outlay on State Railways	101,57	17,55	119,12				21,24,000	56,00,000	77,24,000
Public Debt in current - Permanent Debt -									
Sterling Debt -									
Debt of First Indian Railway Company taken over by the Secretary of State								18,00,000	18,00,000
5 per cent Stock		11,70,54	11,70,54		9,20,000	9,20,000		9,87,000	9,87,000
4 per cent Stock		17,00,000	17,00,000		18,00,000	18,00,000		9,88,000	9,88,000
Rupee Debt -									
New Rupee Loan							20,00,000		20,00,000
6 per cent Bond, 1912	19,49,000	0	19,49,000						
6 per cent Bond, 1916		1,00	1,00						
6 per cent Bonds, 1917	37,819,00	0	37,819,00	2,000		2,000			
5 per cent War Bonds 1921		100	100						
5 per cent Loan 1915-16				9,79,77,000		9,79,77,000			
5 per cent Bonds, 1915				11,17,70,000		11,17,70,000			
5 per cent Loans				12,10,000		12,10,000	6,00,000		6,00,000
TOTAL	40,57,20,900	11,75,00,000	52,32,20,900	24,09,49,000	18,15,83,000	42,25,32,000	20,06,00,000	18,68,00,000	38,74,55,000
Net			66,22,905			37,11,64,000			36,95,87,000
Floating Debt -									
Treasury Bills -									
Issued to Public	16,19,10,000		16,19,10,000	6,68,00,000		6,68,00,000			
Issued to Paper Currency Reserve	49,65,00,000		49,65,00,000	55,25,00,000		55,25,00,000			
Other Floating Loans				5,00,00,000		5,00,00,000			
TOTAL	9,51,10,000		9,51,10,000	6,88,00,000		6,88,00,000	55,25,00,000		55,25,00,000
Net			0			0			0
Unfunded Debt -									
Deposits of Service Funds	15,89,52	20,102	15,89,52	11,51,000	10,92,000	14,20,000	1,02,000		
Post Office Cash Certificates	70,00,000		70,00,000	7,00,00,000		3,00,00,000			
Savings Bank Deposits	2,28,20,723	1,91,702	2,28,20,723	2,28,20,723	1,40,000	27,74,42,000	1,20,000		
TOTAL	25,11,60,9	2,11,804	25,11,60,9	11,79,20,723	12,32,000	44,94,42,000	1,22,000		30,91,44,000
Net			2,96,51,483			10,74,36,000			7,51,45,000
Deposits and Advances -									
Appropriation for Reduction or Avoidance of Debt							11,00,000		
Deposits of Local Funds -									
District Funds	11,90,75,383		11,90,75,383	12,25,19,000		12,05,85,000			
Other Funds	8,20,48,880		8,20,48,880	8,11,35,000		8,26,75,000			
Deposits of Branch Line Companies	3,45,11,6		3,45,11,6	8,54,000		9,97,000			
Sinking Funds for Central Loans	1,54,00,000		1,54,00,000	73,61,000		88,31,000			
Other Sinking Fund Deposits	1,12,80		1,12,80	3,25,000		3,38,000			
Gold Standard Reserve		1,47,88,920	1,47,88,920		1,11,51,21,000		1,10,74,000		
Paper Currency Reserve	2,12,40,911	24,10,800	2,12,40,911	2,97,72,000	43,25,97,000		45,88,58,000		
Departmental and Judicial Deposits	80,73,51,914		80,73,51,914	71,63,48,000		74,15,09,000			
Railway Revenue Surplus Account							1,38,48,000		
Advances	13,17,50,126	1,35,70,470	13,17,50,126	20,00,000	77,00,000	18,58,20,000	6,62,000		
Discount Sinking Fund and Suspense Accounts	25,49,007	2,47,54,938	25,49,007	1,08,25,000	1,82,42,000	1,03,41,000	1,72,58,000		
Exchange on Remittance Accounts	10,95,17,710		10,95,17,710	1,60,89,000		15,80,96,000			
Miscellaneous	11,24,25,977	72,20,111	11,24,25,977	49,00,000	34,77,000	1,15,94,000	86,79,000		
TOTAL	1,46,00,07,867	1,76,54,25,785	1,46,00,07,867	1,23,57,75,000	1,85,73,00,000	2,39,31,58,000	1,33,56,74,000	1,58,88,69,000	39,45,43,000
Net			17,82,38,548			2,15,87,000			17,59,79,000
Carried over	4,34,64,89,224	2,08,91,61,141	4,34,64,89,224	8,75,40,69,000	1,88,44,23,000	3,08,55,85,000	1,80,88,69,000		

Central Government, in India and in England.

	ACCOUNTS 1922-23			REVISED ESTIMATE, 1923-24			BUDGET ESTIMATE, 1924-25		
	India	England	TOTAL	India	England	TOTAL	India	England	TOTAL
	R	R	R	R	R	R	R	R	R
Expenditure (from State ment B)	89,90,71,189	30,57,91,558	1,20,48,62,747	84,80,50,300	31,00,26,000	1,15,80,76,300	87,03,50,000	30,85,48,000	1,17,89,00,000
Exchange charges on Expenditure	15,94,39,801	...	15,94,39,801	11,00,10,000	...	11,00,10,000	13,55,50,000	...	13,55,50,000
TOTAL	1,05,85,13,990	30,57,91,558	1,36,43,05,548	95,80,60,300	31,00,26,000	1,26,80,86,300	1,00,59,02,000	30,85,48,000	1,31,44,50,000
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue— CONSTRUCTION OF STATE RAILWAYS	8,56,60,812	9,80,51,490	18,37,12,302	12,83,10,000	10,77,52,000	23,60,62,000	18,43,16,000	11,50,80,000	(a) 30,00,00,000
REDEMPTION OF LIABILITIES FOR THE PURCHASE OF RAILWAY PAYMENTS FOR DIS- CHARGE OF DEBENTURES	2,24,273	946	2,25,219	5,000	2,000	7,000	...	...	...
CONSTRUCTION OF IRRIG- GATION WORKS	2,24,273	946	2,25,219	5,000	2,000	7,000	...	...	...
CAPITAL OUTLAY ON INDIAN POSTAL AND TELEGRAPH DEPART- MENT	65,62,006	...	65,62,006	96,65,000	...	96,65,000	1,73,95,000	...	(b) 1,73,95,000
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	1,66,89,065	17,90,367	1,84,79,432	1,71,69,000	7,31,000	1,82,00,000	1,41,62,000	5,38,000	(c) 1,47,00,000
Public Debt Discharged— Permanent Debt— Rupee Debt— 5 p c War Bonds, 1920 Do Do 1921 Do Do 1922 Do Do 1923 Do Do 1925 Do Do 1928 5 p c War Loan, 1929-47 5 p c Loan, 1945-55 4 p c Loans 3 p c Loans 3 p c Loan Provincial Debenture Loans	12,06,675 34,07,950 7,41,03,400 8,00,600 1,000 32,000 54,39,509 1,37,23,800 2,31,67,300 3,076 78,100 200	...	...	4,00,000 6,00,000 26,00,000 1,40,00,000 1,000 32,000 45,00,000 6,32,000 2,72,00,000 3,000 14,00,000 ...	...	3,00,000 4,00,000 1,00,000 15,00,000...	...	...	...
TOTAL NET	12,19,30,861	...	12,19,30,861	5,14,68,000	...	5,14,68,000	1,78,68,000	...	1,78,68,000
Floating Debt— Treasury Bills— Issued to Public Do Paper Currency Reserve Other Floating Loans	78,56,90,000 57,88,00,000 ...	...	...	26,09,00,000 55,25,00,000 5,00,00,000	...	...	2,13,00,000 55,25,00,000...	...	...
TOTAL NET	1,36,45,00,000	...	1,36,45,00,000	86,34,00,000	...	86,34,00,000	57,38,00,000	...	57,38,00,000
Unfunded Debt— Special Loans Deposits of Service Funds Post Office Cash Certifi- cates Savings Bank Deposits	30,837 15,21,881 1,91,46,822 20,10,57,865	1,35,978 ...	...	30,000 15,29,000 1,62,00,000 20,94,58,000	8,00,000 ...	...	30,000 15,40,000 1,50,00,000 21,73,59,000	20,000...	...
TOTAL NET	22,17,56,955	2,12,705	22,19,69,660	22,72,12,000	3,70,000	22,75,82,000	23,39,29,000	70,000	23,39,29,000
Deposits and Ad- vances— Deposits of Local Funds— District Funds Other Funds Deposits of Branch Line Companies Sinking Funds for Central Loans Gold Standard Reserve Paper Currency Reserve Departmental and Judi- cial Deposits Railway Revenue Surplus Account Advances Discount Sinking Fund Suspense Accounts Miscellaneous	11,97,70,540 7,87,78,989 6,69,132 1,70,22,478 8,10,02,454 81,00,39,566 12,83,61,079 4,99,45,779 96,09,352	...	...	12,46,95,000 8,20,04,000 1,00,05,000 47,00,000 ...	1,19,54,21,000 48,25,37,000 ...	12,14,21,000 8,22,71,000 8,89,000 1,14,94,000 ...	...	...
TOTAL NET	1,29,56,99,763	1,76,04,95,350	3,05,61,95,113	1,19,64,74,000	1,67,53,47,000	2,87,18,21,000	1,15,49,38,000	1,59,86,29,000	2,74,85,67,000
Carried over	4,17,39,61,686	2,17,09,72,419	...	3,45,31,28,000	2,10,13,83,000	...	3,29,03,89,000	2,21,35,79,000	...

... 22,94,97,61,000 is voted.

C.— Statement of Receipts and Disbursements of the

	ACCOMPTS, 1922-23			REVISED ESTIMATE, 1923-24			BUDGET ESTIMATE 1924-25.		
	India	England	TOTAL	India	England	TOTAL	India	England	TOTAL
	R	£	R	R	£	R	R	£	R
1922-23	1,31,61,512	12,00,91	61,111	3,75,41,59	000	1,85,14,23	000	68,55,85,000	1,80,89,89,000
Loans and Advances by the Central Government	1,19,531		32,19,831	5,19,000		5,19,000	28,71,000		28,71,000
Net			20,42,338			20,44,000			6,70,000
Loans between Central and Provincial Governments	1,7,05,164		1,17,08,164	98,35,000		98,35,000	1,20,63,000		1,20,63,000
Net			0			0			0
Remittances—									
Post Office Savings Bank	5,21,008			85,00,00,000			86,00,00,000		
Other Local Remittances	6,16,100			6,70,000			2,76,000		
Other Departmental Accounts	1,38,404			5,39,000			5,01,21,000		
Net Receipts by Civil Treasuries from—									
Railways	14,30,58,900			14,31,70,000			15,00,85,000		
Posts and Telegraphs				4,31,16,000					
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs	2,44,87,728						4,62,000		
Marine	1,06,67,970			5,85,000			59,90,000		
Army and Military Works	40,38,06,251			45,22,31,000			40,94,91,000		
Remittances between England and India—									
Remittance Account—									
Bank drawings	2,500	2,69,82,006			2,12,70,000			2,00,00,000	
Sale of Bill					2,00,00,000				
Other transactions	7,57,49,313	6,88,01,117		1,39,74,000	5,16,80,000		1,07,74,000	3,02,30,000	
Remittances from India for financial year		4,76,62,001			20,75,00,000			21,50,00,000	
Transfers through the Paper Currency Reserve	2,15,370			14,00,00,000	5,54,77,000			10,00,00,000	
TOTAL	1,78,93,63,371	14,34,45,344	1,73,28,09,115	1,73,45,35,000	12,19,27,600	2,12,64,62,000	1,48,74,99,000	36,52,30,000	1,85,27,29,000
Net			37,92,494			0			3,38,000
Balances of Provincial Governments	2,01,16,997		2,01,16,997	7,14,00,000		7,14,00,000	4,47,000		4,47,000
Net			6,34,730			5,05,37,000			0
TOTAL RECEIPTS	5,97,04,87,787	2,24,26,03,685		7,54,39,78,000	2,30,63,50,000		5,18,84,50,000	2,17,41,19,000	
Opening Balance	2,7,06,13,170	8,89,53,817		25,95,50,424	9,82,19,688		22,96,85,424	11,80,01,668	
GRAND TOTAL	6,22,76,00,957	2,33,25,60,502		5,50,35,58,424	2,40,45,69,688		5,41,81,50,124	2,29,21,20,668	

* Sterling converted into Rupees at £1 = Rs. 10.
 (a) Of this amount, Rs. 17,753 represents the funds of the Gold Standard Reserve
 (b) Of this amount, Rs. 36,584 represents the funds of the Gold Standard Reserve.

DULHI,
 FINANCE DEPARTMENT,
 The 29th February 1924.

M. F. GAUNTLETT,
 Auditor General.

Central Government, in India and in England—*continued.*

	ACCOUNTS, 1922-23.			REVISED FINAL, 1923-24			BUDGET ESTIMATE, 1924-25		
	India.	England.	TOTAL	India	England.	TOTAL.	India	England.	TOTAL.
	R	R	R	R	R	R	R	R	R
Brought forward	4,17,39,61	882,17,09	72,419	3,18,61,25,000	2,1,1,83,000		3,29,03,89,000	2,21,5,79,000	
Loans and Advances by the Central Government	1,07,19		2,07,33	1,17,7		11,50,0	1,01,0		2,01,000
Nil			0			0			0
Loans between Central and Provincial Governments	10,77,20,51		10,77,20,51	12,3,01,00		12,0,01,00	13,93,25,000		13,93,25,000
Nil			59,52,60			11,32,20,000			12,72,62,000
Remittances—									
Remittances within India—									
Inland Money Orders	4,55,79,2-8			85,07,00,000			1,60,00,000		
Other Local Remittances	...			1,00,000			1,54,000		
Other Departmental Accounts	1,15,300			5,00,62,000			5,00,00,000		
Net Payments into Civil Treasuries by—									
Railways	13,65,33,004			15,57,00,000			17,60,85,000		
Posts and Telegraphs				4,31,16,000			...		
Net Issues from Civil Treasuries to—									
Posts and Telegraphs	2,43,9,791						4,62,000		
Mainline	1,06,58,247			59,85,000			79,80,000		
Army and Military Works	49,46,59,480			45,22,31,000			40,94,91,000		
Remittances between England and India—									
Remittance Account—									
Drawings	2,68,85,360			2,42,70,000			2,00,00,000		
Sale of gold	...			2,00,00,000			...		
Other transactions	10,89,16,250	4,38,80,670		3,52,29,000	2,43,22,000		2,73,78,000	73,31,000	
Remittances from India for financing Home Treasury	4,76,62,361			26,75,00,000			21,50,00,000		
Transfers through the Paper Currency Reserve.	2,09,912	5,458		5,81,77,000	14,00,00,000		10,00,00,000		
TOTAL	1,66,51,30,493	4,38,86,128	1,72,90,16,621	1,96,32,09,000	10,43,22,000	2,12,75,81,000	1,81,50,60,000	73,31,000	1,85,48,91,000
Nil			0			10,69,000			0
Balances of Provincial Governments	...	1,94,82,267	1,94,82,267		2,08,63,000	2,08,63,000		2,37,70,000	2,37,70,000
Nil			0			0			2,33,23,000
TOTAL DISBURSEMENTS	5,96,80,20,533	2,23,48,40,814		5,57,38,73,000	2,23,65,68,000		5,27,69,75,000	2,24,46,50,000	
Closing Balance	5,93,60,421	(b) 9,83,19,688		22,96,65,424	(b) 11,80,01,688		14,11,75,424	(b) 1,74,10,688	
GRAND TOTAL	6,22,76,00,957	2,33,25,60,502		5,80,35,38,424	2,40,45,69,688		5,41,81,50,424	2,29,21,20,688	

H. DENNING,
Controller of the Currency.

A. C. McWATERS,
Secretary to the Government of India.

Abstract Statement of the Receipts and Disbursements of the Central Government in India and in England.

ACCOUNTS, 1922-23					REVISED ESTIMATE, 1923-24		BUDGET ESTIMATE, 1924-25	
REVENUE AND EXPENDITURE					Net Receipts	Net Charges	Net Receipts	Net Charges
	R	R	R	R	R	R	R	R
Principal Heads of Revenue								
Customs	11,116,512	70,200	10,103,312	9,601,000	16,12,47,000	17,51,78,000	14,18,26,000	17,51,78,000
Taxation	17,904,150	11,51,180	17,54,87,011	7,71,2,300	7,71,2,300	9,01,27,000	9,01,27,000	24,52,000
Sale	1,82,11,112	1,71,3,147	5,1,69,911	1,72,91,000	1,72,91,000	1,71,1,000	1,71,05,000	1,71,05,000
Other heads	7,52,000	1,10,011	1,92,51,125	1,65,10,211	2,11,1,000	2,11,1,000	2,11,1,000	2,11,1,000
TOTAL	72,50,14,60	7,22,1,990	67,7,9,900	67,7,9,900	67,7,9,900	67,7,9,900	67,7,9,900	67,7,9,900
Commercial Services								
Railways	2,22,98,170	2,71,09,217	1,21,99,220	2,34,00,000	2,34,00,000	5,31,000	1,27,70,000	40,38,000
Navigation	10,90,752	13,75,391	45,50,912	72,21,000	72,21,000	1,18,11,000	1,18,11,000	1,18,11,000
Posts and Telegraphs	1,22,20,115	70,98,536	45,50,912	72,21,000	72,21,000	1,18,11,000	1,18,11,000	1,18,11,000
Debt Services								
Interest	1,17,70,69	16,15,89,510	15,00,18,814	13,50,61,000	13,50,61,000	14,97,90,000	14,97,90,000	14,97,90,000
Civil Administration								
Civil Administration	14,04,528	9,94,02,010	9,15,07,512	8,89,61,000	8,89,61,000	9,08,35,000	9,08,35,000	9,08,35,000
Currency, Mint and Exchange								
Currency	3,508,720	67,14,206	2,17,91,514	2,04,05,000	2,04,05,000	2,85,93,000	2,85,93,000	2,85,93,000
Mint	26,91,111	15,95,525	10,98,886	1,69,000	1,69,000	62,000	62,000	62,000
Civil Works								
Civil Works	11,38,087	1,31,51,010	1,20,42,973	1,17,92,000	1,17,92,000	1,01,14,000	1,01,14,000	1,01,14,000
Miscellaneous Services								
Famine Relief	80,651	80,651	80,651	12,000	12,000	14,000	14,000	14,000
Superannuation	28,50,509	3,04,41,168	3,31,93,959	2,83,91,000	2,83,91,000	2,74,10,000	2,74,10,000	2,74,10,000
Miscellaneous	10,76,985	68,2,072	51,25,087	2,09,83,000	2,09,83,000	71,50,000	71,50,000	71,50,000
Other heads	17,19,31	91,28,897	74,00,766	82,49,000	82,49,000	72,51,000	72,51,000	72,51,000
Military Services								
Army	1,49,71,020	5,35,72,650	50,86,00,730	46,29,15,000	46,29,15,000	46,60,31,000	46,60,31,000	46,60,31,000
Non-effective	31,00,973	9,31,57,194	9,00,56,521	9,00,46,000	9,00,46,000	8,88,11,000	8,88,11,000	8,88,11,000
Marine	32,72,548	1,39,98,618	1,07,26,080	68,66,000	68,66,000	76,76,000	76,76,000	76,76,000
Military works	37,13,461	4,90,00,157	4,82,66,750	3,75,02,000	3,75,02,000	3,99,52,000	3,99,52,000	3,99,52,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments	9,22,93,608	9,22,93,608	9,22,93,608	9,04,00,000	9,04,00,000	7,49,46,000	7,49,46,000	7,49,46,000
TOTAL	1,21,11,29,150	1,36,43,05,548	80,56,57,129	95,58,33,521	80,41,94,000	87,35,87,000	90,60,60,000	90,57,02,000
Surplus			15,01,76,392	2,06,07,000	2,06,07,000	3,58,000	3,58,000	3,58,000
Deficit			15,01,76,392	2,06,07,000	2,06,07,000	3,58,000	3,58,000	3,58,000
Capital Account								
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue								
Capital contributed by Railway Companies and Indian States towards construction of State Railways	28,26,557	28,26,557	28,26,557	28,26,557	28,26,557	28,26,557	28,26,557	28,26,557
Construction of Irrigation Works	2,25,219	2,25,219	2,25,219	2,25,219	2,25,219	2,25,219	2,25,219	2,25,219
Construction of State Railways	18,43,42,305	18,43,42,305	18,43,42,305	18,43,42,305	18,43,42,305	18,43,42,305	18,43,42,305	18,43,42,305
Capital outlay on Indian Postal and Telegraph Department	65,62,008	65,62,008	65,62,008	65,62,008	65,62,008	65,62,008	65,62,008	65,62,008
Initial expenditure on new Capital at Delhi	1,84,79,432	1,84,79,432	1,84,79,432	1,84,79,432	1,84,79,432	1,84,79,432	1,84,79,432	1,84,79,432
Payments for discharge of Debentures	63,34,021	63,34,021	63,34,021	63,34,021	63,34,021	63,34,021	63,34,021	63,34,021
Redemption of Liabilities involved in the purchase of Railways	27,07,03,000	27,07,03,000	27,07,03,000	27,07,03,000	27,07,03,000	27,07,03,000	27,07,03,000	27,07,03,000
Debt, Deposits, Advances and Remittances								
Permanent Debt	66,22,99,053	66,22,99,053	66,22,99,053	66,22,99,053	66,22,99,053	66,22,99,053	66,22,99,053	66,22,99,053
Floating Debt	40,61,80,000	40,61,80,000	40,61,80,000	40,61,80,000	40,61,80,000	40,61,80,000	40,61,80,000	40,61,80,000
Unfunded Debt	2,06,51,483	2,06,51,483	2,06,51,483	2,06,51,483	2,06,51,483	2,06,51,483	2,06,51,483	2,06,51,483
Loans and Advances by Central Government	20,42,338	20,42,338	20,42,338	20,42,338	20,42,338	20,42,338	20,42,338	20,42,338
Loans between Central and Provincial Governments	9,59,52,697	9,59,52,697	9,59,52,697	9,59,52,697	9,59,52,697	9,59,52,697	9,59,52,697	9,59,52,697
Deposits and Advances	17,82,38,542	17,82,38,542	17,82,38,542	17,82,38,542	17,82,38,542	17,82,38,542	17,82,38,542	17,82,38,542
Remittances	37,92,494	37,92,494	37,92,494	37,92,494	37,92,494	37,92,494	37,92,494	37,92,494
Balances of Provincial Governments	6,34,730	6,34,730	6,34,730	6,34,730	6,34,730	6,34,730	6,34,730	6,34,730
Cash Balance								
Opening Balance	34,65,66,987	34,65,66,987	34,65,66,987	34,65,66,987	34,65,66,987	34,65,66,987	34,65,66,987	34,65,66,987
Closing Balance	35,78,00,112	35,78,00,112	35,78,00,112	35,78,00,112	35,78,00,112	35,78,00,112	35,78,00,112	35,78,00,112
TOTAL	1,22,60,52,184	1,22,60,52,184	1,22,60,52,184	1,22,60,52,184	1,22,60,52,184	1,22,60,52,184	1,22,60,52,184	1,22,60,52,184

M. F. GAUNTLETT,

Auditor General.

DELHI,

FINANCE DEPARTMENT,

H. DENNING,

Controller of the Currency.

A. C. McWATERS,

Secretary to the Government of India.

THE INDIAN FINANCE BILL

INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 1ST MARCH 1924.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax: It is hereby enacted as follows:—

Short title, extent and duration.

1. (1) This Act may be called the Indian Finance Act, 1924.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1925.

2. (1) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose

by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the 1st day of March, 1924, they imposed such duty at the rate of two rupees per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into any such part, and such duty shall, for all the purposes of the said Act be deemed to have been imposed by rule made under that section.

(2) With effect from the first day of March, 1924, section 2 of the Indian Finance Act, 1923, is hereby repealed.

3. With effect from the first day of March, 1924, the amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894.

4. With effect from the first day of April, 1924, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

5. With effect from the first day of March, 1924, the following amendments shall be made in the Motor Spirit (Duties) Act, 1917, namely:—

(a) in sub-section (1) of section 3, for the words "six annas" the words "four annas and six pies" shall be substituted;

(b) section 6 shall be omitted.

6. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1924" the figures "1925" shall be substituted.

7. (1) Income-tax for the year beginning on the first day of April, 1924, shall be charged at the rates specified in Part I of the Third Schedule.

(2) The rates of super-tax for the year beginning on the first day of April, 1924, shall, for the purposes of section 53 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.

(3) For the purposes of the Third Schedule, "total income" means total income as defined in clause (15) of section 2 of the Indian Income-tax Act, 1922.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 2, 3 and 4 of this Bill should have temporary effect under the provisions of the Provisional Collection of Taxes Act, 1918.

XVI of 1918.

BUDGET FOR 1924-25.

SCHEDULE I.

Amendments to be made in Schedule II to the Indian Tariff Act, 1904.

[See section 3.]

1. After Item No. 1 the following Item shall be inserted, namely :—

"1A | GRAIN and PULSE, all sorts, including broken grains and pulse, but excluding flour (*see* No. 68)."

2. In Item No. 40, the words "and MOTOR SPIRIT", where they first occur in the entry in the second column, and the No. 40 to that entry shall be omitted.

3. After Item No. 40 the following Item shall be inserted, namely :—

"40A | MOTOR SPIRIT . . . | Imperial gallon . . . | Four annas and six pies."

4. After Item No. 43 the following Items shall be inserted, namely :—

"43A | Undipped SPLINT such as are ordinarily used for match making.	Pound	Four annas and six pies.
46B | VENEERS such as are ordinarily used for making match boxes, including boxes and parts of boxes made of such veneers.	Pound	Six annas."

5. Item No. 47 and the heading thereon shall be omitted.

6. In Item No. 51, after the figures "5, 16" the figures and letter "51B" shall be inserted.

7. After Item No. 51A the following Item shall be inserted, namely :—

"51B | BOBBINS, HEALDS, HEALD CORDS, HEALD KNITTING NEEDLES, and SHUTTLES."

8. In Item No. 56, for the word and figures "and 18" the figures and word "18 and 51B" shall be substituted.

9. After Item No. 121 the following Item shall be inserted, namely :—

"121A | GOLD THREAD, SILVER THREAD and LAMETTA, including imitation gold and silver thread and imitation lametta."

10. In Item No. 32, the words "gold thread and wire" shall be omitted and after the words "all sorts" the following shall be added, namely :

"but not including gold thread or lametta or imitation gold thread or lametta (*see* No. 121A)."

11. In Item No. 13, the words "silver thread and wire" shall be omitted and after the words "all sorts" the following shall be added, namely :—

"but not including silver thread or lametta or imitation silver thread or lametta (*see* No. 121A)."

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898

[See section 4.]

"THE FIRST SCHEDULE.

IN. AND P. STAGE RATES.

[See section 7]

Letters.

For a weight not exceeding two and a half tolas One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas One anna.

Postcards.

Single Half an anna.
Reply One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas.

SCHEDULE III.

[See section 7.]

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, every unregistered firm and every undivided Hindu family—	
(1) When the total income is less than Rs. 2,000	Nil.
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company, and every registered firm, whatever its total income	One anna and six pies in the rupee.

PART II.

Rates of Super-tax.

	Rate.
In respect of the excess over fifty thousand rupees of total income:—	
(1) In the case of every company	One anna in the rupee.
(2) (a) in the case of every Hindu undivided family—	
(i) in respect of the first twenty-five thousand rupees of the excess	Nil.
(ii) for every rupee of the next twenty-five thousand rupees of such excess	One anna in the rupee.
(b) in the case of every individual and every unregistered firm, for every rupee of the first fifty thousand rupees of such excess	One anna in the rupee.
(c) in the case of every individual, every unregistered firm and every Hindu undivided family—	
(i) for every rupee of the second fifty thousand rupees of such excess	One and a half annas in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess	Two annas in the rupee.
(iii) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.
(iv) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(v) for every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee.
(vi) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(vii) for every rupee of the next fifty thousand rupees of such excess	Four and a half annas in the rupee.
(viii) for every rupee of the next fifty thousand rupees of such excess	Five annas in the rupee.
(ix) for every rupee of the next fifty thousand rupees of such excess	Five and a half annas in the rupee.
(x) for every rupee of the remainder of the excess	Six annas in the rupee.

STATEMENT OF OBJECTS AND REASONS.

1. The object of this Bill is to fix the salt duty at Rs 2 a maund as explained in my speech introducing the Budget for 1924-25 and to continue certain provisions of the Indian Finance Act, 1923, which would otherwise cease to have effect from the 1st April 1924.

2. Clause 2 of the Bill provides for the levy of the duty on salt at Rs 2 per maund.

3. Clauses 3 and 5 give effect to certain minor amendments which it is proposed to make in the Tariff. The changes are not important from the revenue point of view and are as follows :—

- (a) The 2½ per cent. import duty on grain and pulse is removed in accordance with the recommendation of the Fiscal Commission. Import of these articles is negligible in normal times and the duty is suspended in times of scarcity. It has been in suspense since January 1921.
- (ii) At present motor spirit produced in India is subject to an excise of six annas a gallon and imported motor spirit to an import duty of 8½ annas a gallon. Imports are extremely small and in order to cheapen motor spirit, it is proposed to reduce the excise duty to 4½ annas a gallon and to levy customs duty on imported motor spirit at the same rate, viz., 4½ annas a gallon.
- (iii) With a view to evade the high duties at present levied on imported machines, the practice of importing empty boxes and splints and of dipping splints in India has extended. In order to protect revenue, it is proposed to levy specific duties on these component parts.
- (iv) Certain articles such as bobbins, healds, etc., can be used as component parts either of power looms or handlooms and are therefore assessable to duty under the higher rate, i.e., as component parts of handlooms. Their chief use, however, is in power looms. It is proposed to amend the schedule so as to make it clear that the duty to be levied on these articles is the same as that on other component parts of power machinery, namely 2½ per cent.
- (v) The assessment of duty on gold thread, etc., under the existing schedule has given rise to administrative difficulties, thread with any trace of gold having hitherto been assessed at 30 per cent., instead of at the general rate of 15 per cent. There is also reason to believe that the difference in rates of duty is stimulating the trade in imitation gold and silver thread and lametta at the expense of gold and silver thread proper. It is proposed to make the duties on gold and silver thread and lametta uniform at 15 per cent.

4. Clauses 4 and 7 provide for the continuance of the rates of postage, income-tax and super-tax prescribed by the Indian Finance Act of 1923, while clause 6 provides for the credit to revenue for a further period of one year, i.e., till the 31st March 1925, of interest on securities forming part of the Paper Currency Reserve.

5. The changes mentioned in paragraphs 2 and 3 are intended to come into effect from the 1st March 1924; the rest from April 1st. The provisions other than those mentioned in paragraph 3 will have effect till the 31st March 1925.

BASIL P. BLACKETT.

The 29th February 1924

**Speech of the Finance Secretary in the Council of State on
the 23rd February 1924.**

THE HONOURABLE MR. A. C. MCWATTERS (Finance Secretary): Sir, I rise to present a statement of the estimated revenue and expenditure of the Governor General in Council for the year 1924-25. At the conclusion of my remarks, copies of this statement and other connected papers will be circulated to all Members of this House, together with copies of the speech which the Honourable the Finance Member is now making in the other House. I shall therefore confine myself to a concise statement and explanation of the more important items and figures which will be of interest to Honourable Members. On Monday last I had an opportunity of explaining the reasons which have led the Government to present the Budget Statement at this somewhat unusual hour. If it has caused any inconvenience to Honourable Members, I know they will recognise that the change has been made in the interests of the commercial public and in the interests of our clerks at the Custom Houses.

Before I proceed to my main subject, I should like to refer, very briefly, to the final outcome for the year 1922-23, the year which ended on the 31st of March last. When we prepared the revised estimates for that year, 12 months ago, we estimated that there would be a deficit of Rs. 17½ crores. The final accounts have now been prepared, and we find the actual deficit is 15 crores 2 lakhs. This difference of 2½ crores is due mainly to savings in military expenditure, and, in particular, to the non-utilization of a sum of £800,000 which had been provided for India's share in the cost of demobilising surplus troops. I mention this saving of 2½ crores particularly because, in the present year, as the House will shortly learn, the difference between our revised estimate and the actuals when known, may be a matter of considerable importance, as it is a question between having a budget which balances and a small deficit. The House will remember that the Budget estimate for 1923-24, the current year, as finally fixed, provided for a surplus of 81 lakhs. The revenue was estimated at 134 crores, 90 lakhs and the expenditure at 134 crores, 9 lakhs. We now estimate that our revenue will be worse by 5 crores, 38 lakhs. Our expenditure, on the other hand will be less by 4 crores, 19 lakhs. The net result is that instead of a surplus of 81 lakhs, we estimate, on our ordinary revenue and expenditure, a deficit of 38 lakhs. We hope that that deficit may even now be removed when the final figures are before us. I said advisedly our *ordinary* revenue and *ordinary* expenditure because this estimate does not take account of a very large credit from an extraordinary windfall to which I will return later on.

This estimated deficit of 38 lakh is perhaps less than may have been anticipated by those who may have considered merely the published returns of our large revenue-earning departments. There is no doubt that our revenue estimates were on the optimistic side. It is true they were not based on an expectation of a boom in trade, but they provided for a steady revival. That revival has been slower than we hoped, I think mainly through causes external to India. In India we have had a good monsoon, we have had on the whole good prices for most of our staple products, and with the one notable exception of the cotton mill industry in Bombay, there are distinct signs of improvement. I would like to point for a moment to the figures of the balance of trade. For the 10 months ending 31st of January last, the balance of trade, including imports of bullion, has been in favour of India to the extent of 63 crores 42 lakhs. In the preceding year it was in favour of India by 20½ crores only, and the year before that there was an adverse balance of 33 crores. I think the House will recognise that this is an important change in the right direction, especially for a country like India which has large external liabilities, and which depends on foreign markets for disposing of its surplus products. It also is most useful, as the House will realise, for the support of our currency system to have a favourable trade balance.

I will now give the House a very few details of the revenue and expenditure of the current year.

Under Customs we budgeted for a net figure of 45 crores, 10 lakhs. We expect to receive only 40 crores, 42 lakhs. That is 4 crores 68 lakhs less than the estimate. I may explain however that 50 lakhs of this is due to a decision of the Bombay High Court under which stores imported by company railways have been treated as Government stores and have therefore been exempted from payment of customs duty. Against this decision the Government of India have appealed to the Privy Council. If that decision is in our favour, we shall obtain a refund of 50 lakhs. If, on the other hand, it goes against us, we shall have to provide for refunds of about two crores to the railways. It represents the duty which they

have paid under protest from the time when this question was first contested in the Courts.

Our estimates under sugar have been less by 1 crore 15 lakhs, and I think that here we must admit that we did not take sufficient account of the reduced tariff valuation of sugar which came into force at the beginning of January 1923. Under other items the falling off has been due almost entirely to the fall in prices which has adversely affected our *ad valorem* duties. In this way under piece-goods we shall lose 73 lakhs; under metals 58, under cutlery and hardware 35, and the cotton excise duty will be less by 38 lakhs in view of the depression of the Bombay mill industry.

Next as to Salt. We budgeted for a revenue of 11½ crores, of which 4½ crores was estimated to be a result of the doubling of the duty. The House is well aware of the circumstances and the history of this tax. There are two circumstances which have led to our not obtaining the full amount of duty which we expected. The first is that in January and February 1923 the salt merchants took out in advance large quantities of salt in anticipation of an increase of duty on the 1st of March. We estimate that the amount so taken out beyond the ordinary requirements for consumption was 36 lakhs of maunds. In the second place, throughout the year and more especially in the later months, the salt dealers have allowed stocks in the country to run down to a minimum, no doubt in expectation of a reduction in the duty. The net result has been that the actual amount of salt issued is expected to be 380 lakhs of maunds against a normal annual consumption of 495 lakhs, and the total amount which we expect to obtain from the duty will be 8½ crores—that is, 3 crores below the estimate.

As regards Railways, we estimated gross receipts of 95.57 crores. During the early part of the year the returns were unsatisfactory and later on there were breaches on some of the more important lines, but the returns recently have been much more satisfactory and we expect to receive in gross receipts altogether 94.22 crores—which is 1½ crores below the estimate. On the other hand, we have been able to effect savings in working expenses and there has been a reduction in the expenditure on Programme Revenue both of which combined will result in a saving of 1.93 crores. The net result is that from Railways we expect to receive a net return of 58 lakhs more than we had estimated. I need not trouble the House with many other items. Under Income Tax we expect to get our full return of 19 crores; from Opium 38 lakhs more than in the estimate; Posts and Telegraphs will be short by 22 lakhs. There remains one big item under "Interest, Currency and Miscellaneous." We expect under these heads to be better by 1.42 crores. This is due to the fact that the interest yield on short term money in London has been better, and we have, owing to favourable opportunities for remittance, invested larger sums in sterling securities in London. Included in the figure which I have quoted is an item of 37 lakhs which is the profit from our recent sale of gold.

On the Expenditure side we have to provide an extra item of 70 lakhs under Opium. In July last we obtained from the Assembly a supplementary grant of 17 lakhs on account of the increased outturn of the opium crop in Central India and the United Provinces. Only 70 lakhs of this will be spent. Under Interest Charges we effect a saving of 74 lakhs. This is an important item. It has mainly been due to the fact that we have been able to reduce the Budget provision for discount on Treasury Bills. Two years ago on the 31st March 1922 the amount of floating debt in the shape of Treasury Bills held by the public was no less than 54 crores. A year ago it was 22 crores. On the 31st March next we estimate that the figures will be 2 crores only. Speaking as one who for more than the last three years has been somewhat intimately connected with the handling of our daily balances, I can testify to the relief which the removal of this incubus has given to the Government, and I feel sure that the commercial public will also be relieved since the exigencies of our short term borrowings have from time to time caused considerable dislocation to the market. Under Sinking Funds we shall not utilize the additional provision of 80 lakhs for the depreciation fund of our 5 per cent. loans, since these loans have for the greater part of the year remained above their issue price. Under other heads of civil expenditure, which were already much reduced as a result of the Inchaape Committee's recommendations, we hope to effect a further saving of 50 lakhs.

I will next refer to Military Expenditure. In the Budget we provided for gross military expenditure of 65 crores and 5 lakhs, and net military expenditure of 6½ crores. The House will be aware that the full reductions have been made in combatant troops as recommended by the Inchaape Committee with the exception of one Cavalry regiment, but the resulting economies from these reductions cannot take effect fully until next year. His Excellency the Commander-in-Chief has, however, been able by means of other economies to effect a more than corresponding reduction. The established charges for military services during the current year are now

estimated at 60½ crores as compared with the figure of 61 crores and 94 lakhs which was taken in the Budget. The Incheape Committee also recommended that by the consumption and disposal of excess military stores a non-recurring saving of 2½ crores could be effected in the current year. The actual saving effected in this way amounts to 3 crores. There is also a further credit of an extraordinary character which comes into the current year, amounting to 41 lakhs, from the sale of certain temporary military buildings. On the other hand, the expenditure on Waziristan is estimated to be 2 crores against 1 crore and 69 lakhs taken in the Budget, and the expenditure on gratuities to demobilised officers will be 1½ crores against a provision of 62 lakhs. There is also a saving in exchange amounting to 46 lakhs. The net result is that the net military budget will be 59 74 crores, which represents a saving on our Budget Estimate of 226 lakhs.

Finally, with regard to Exchange, we budgeted for a figure of 1s. 4d. As the House is aware, exchange has been above 1s. 4d. during practically the whole of the year, and during recent months has been in the neighbourhood of 1s. 5d. On the year as a whole we shall obtain an average rate of 1s. 4½d. The saving in our expenditure on this account, including railways and commercial services, will be 1.28 crores. The net result is, as I have said, that our revenue will be worse by 5 crores 38 lakhs, our expenditure will be better by 4 crores 19 lakhs, and we expect at present, though we hope it may eventually be removed, a deficit of 38 lakhs.

And this brings me to the windfall. This windfall arises from the credit to India of the profits earned from the control of enemy ships and certain minor items of a similar character. All claims have not yet been settled and a few minor items are outstanding but we are now assured of a credit to Indian revenues of the large sum of £3½ million sterling which amounts to 4 crores 78 lakhs. In answer to a question in the House a few days ago I explained that this windfall did not represent any actual cash received during the current year. It is money which has merged in the balances of the Secretary of State and the High Commissioner for India and which has been utilised by them for their ordinary expenditure, thereby reducing our borrowings. It is obviously incorrect that an extraordinary item of this kind should be taken to meet any of our ordinary recurring expenditure, but there are just two special items to which I wish to refer. The first is that, following British precedent and in anticipation of any sums which may become available from Reparations, we propose to set aside next year a sum of 25 lakhs as compensation to private individuals who have suffered from enemy action. We do not consider that this would be a fair charge on our ordinary revenues, and we therefore propose to earmark 25 lakhs of this extraordinary windfall for this purpose. Secondly, there is the sum of 2 crores which, as I have already explained, we may have to pay as refunds to company railways in the event of the appeal to the Privy Council going against us. We propose for the present to hold in suspense 2 crores out of the windfall to meet this refund in case it should come due. The remainder of the windfall, which amounts to 244 lakhs, will come as a credit in the accounts of the current year which, including this credit, should show a surplus of 206 lakhs.

Before I proceed to the Budget for 1924-25, there are one or two matters of general interest to which I wish to refer. The first is the question of the separation of the railway budget from the general budget. As the House is aware a Resolution on this subject has been tabled by the Honourable the Commerce Member in the Legislative Assembly, and copies of a memorandum on the subject have been circulated to all Members of both Houses. I should only like to say that Government consider this change as one of the first importance both in the interests of general finance and in the interests of the railways. The railways will be enabled to conduct their business untrammelled by the limitations of our budget system and general finance will be able to count on an assured reasonable return from the railways unaffected by any of the vagaries of railway working. I need not tell the House in detail the arrangement which it is proposed to make; but briefly it is this, that general revenues will receive from railways first, a sum sufficient to pay interest on the capital invested in commercial lines; secondly, an additional sum of five-sixths of one per cent. on that capital; and thirdly, one-fifth of any surplus which the railways may earn. Among the papers which will be circulated at the close of my speech will be found a statement which shows how the railway contribution is arrived at for the year 1924-25, on the basis of this new arrangement and also, a comparison showing what the contribution to general revenues would be on the old basis. Briefly, the position is this, that under the new system general revenues will receive 427 lakhs; under the old system they would have received 416 lakhs. But I should add that this latter result is only arrived at by a device of spreading over ten years a payment of 3 crores which is really due now, in order to write down to their proper value certain railway stores, the legacy of the war, which are either obsolete or standing above

their proper value. If the railway budget is separated, the railways will be able to build up reserves out of which they will, like any other commercial concern, be able to write down the value of these surplus stores; but otherwise the obligation falls on general revenues and it is impossible in our present financial condition to find a sum of 3 crores in one year for this purpose. For this reason, we have had to resort, or rather may have to resort, to the somewhat unattractive device in the event of non-separation.

Another subject to which I wish to refer very briefly is the provision for avoidance or redemption of our debt. Hitherto all the items which partake of this character have been scattered over different portions of the budget; and the result has been that their importance has never been sufficiently emphasised or recognised. We propose for the first time to bring together in one place all these items. Taking the figures for the current year, we have first the depreciation fund for our 5 per cent. loans; this, as the House knows, is a sum equal to 1 per cent. of the face value of the loans issued; that amounts to 7½ lakhs. Then there is the additional provision of 80 lakhs which we have set aside for the same purpose during the last two or three years. Besides this, we have the annual instalment of the principal of India's war contribution amounting to £142,900 and the capital portion of the Railway Annuities and sinking funds which amounts to another £1,511,300. The total of these items converted at 1s. 4d. is 452 lakhs, or, if we omit the 80 lakhs additional provision which has not been utilised this year and allow for exchange, 363 lakhs. In the coming year the figures will be slightly different. The figures will be 465 lakhs or, omitting the provision of 80 lakhs, it will be 385 lakhs.

Now, in the course of the year the Government have examined this question in relation to the total amount of our debt and the different classes of that debt. They have applied to those different classes different criteria—to productive debt applying a certain period in which it should be redeemed, another period for unproductive debts on account of deficits, another period for the unproductive debt for Delhi; and the result of that examination has shown that the amount which is required under any reasonable criteria would not exceed roughly 4 crores, which is practically the same as the figure of our obligatory payments. This indicates that it is unnecessary for us to continue in the next year the additional provision of 80 lakhs for the depreciation fund for our 5 per cent. loans, a conclusion which we have arrived at independently from a consideration of the circumstances of the present year, when the loans have been standing for the greater part of the year well above their issue price.

There is just one other matter before I proceed to the Budget, the question of customs duty on Government stores. The House is aware that a Bill has been introduced in the Legislative Assembly to rescind the proviso to section 20 of the Sea Customs Act, which exempts Government stores from customs duty. The object of this Bill is to remove a disability under which Indian industries suffer from the fact that our purchasing departments do not always take into account fully the customs duty in comparing the prices of stores ordered in England with stores purchased in India. But I propose to look at the question solely this evening from the point of view of the budget; and the effect on our budget will be this, that we shall receive an additional customs duty of 163 lakhs; on the other hand, we shall have to add to the expenditure of our different departments 53 lakhs, 25 of which is under military and 22 by way of assignments to Provincial Governments who will be required to pay duty on their imported stores. Of the remainder, 90 lakhs relates to stores imported by company railways, who, as a result of this Bill, will be placed in exactly the same position as they were before the Bombay High Court decision. Of the remaining 20 lakhs, 11 lakhs is for stores imported by State Railways on capital account; Government have thought it right to set aside as a special contribution from revenue to capital account a sum of 11 lakhs in order to avoid the inflation of railway capital for the benefit of revenue. With regard to company railways they do not propose to make this alteration at present, as we shall merely be restoring the previous position in respect of company-managed lines, but they will give this matter their further consideration.

There is still one other item before I come to the budget, that is the question of what rate of exchange we should take for next year. This matter is one of very considerable difficulty and Government must disclaim any intention to prophesy; during the current year we budgeted for 1s. 4d. and we have obtained 1s. 4½d. Our sterling position is undoubtedly strong, and on the whole, again I emphasise without any intention to prophesy, Government consider it reasonable to take a figure slightly in excess of the present year's average. I may say that every farthing makes a difference of 44 lakhs in our expenditure (excluding Railways). The Budget for 1924-25, therefore, will assume a rate of exchange at 1s. 4½d.

I now come to the Budget for 1924-25, and I do not propose to keep the House in suspense. I will tell them first the general result. The general result is that, if taxation remains unchanged, that is assuming for the moment that the salt tax remains at Rs. 2-8-0, we estimate that there will be a surplus of 3 crores 36 lakhs. If, however, the salt tax is reduced to Rs. 1-4-0, that surplus will be practically wiped out and we shall be left with a nominal surplus of 1 lakh. If the salt tax were taken at Rs. 2-0-0 we should have a surplus of 1 crore 51 lakhs.

I will now give the House a very few details of our estimated expenditure and revenue before returning to this question of the surplus. First as to military expenditure, the gross military expenditure for next year is estimated at 63 crores and the net military expenditure at 60½ crores, allowing for a saving in exchange of 18 lakhs. The figures which I will mention now are quoted at 1s. 1d. for purposes of comparison. The established charges for military services have been reduced in the military Budget to 59 crores, which includes 25 lakhs for customs duty on military stores. This figure of 59 crores—I should say 58½ crores—should be compared with the figure entered in the last year's Budget of 61 crores 94 lakhs and with our revised estimate of 60½ crores. There is one figure also with which I should like to compare it, and that is the figure for established military charges recommended for the current year's budget by the Inchcape Committee. That figure is 59 crores 38 lakhs, so that the established military charges are already considerably below the Inchcape figure. It must be recognised of course that in the Budget for next year we cannot obtain the non-recurring saving of 3 crores from the consumption of excess stores, nor can we get the 41 lakhs from the sale of temporary buildings. We have also a charge of 30 lakhs for roads and buildings in Waziristan, and 1 crore and 63 lakhs for gratuities to demobilised officers. The net result is, as I have said, that the Military Budget, allowing for Exchange, will stand at 60½ crores.

On the civil side we have given effect to practically all the Inchcape Committee's recommendations. We have allowed for the first time an item of 20 lakhs for new Civil works. For several years past we have made no provision whatever for new Civil works, but now we consider that the revenue position justifies our making a small beginning, as there are a large number of important and beneficial works which had been held up through lack of funds.

On the revenue side, we are taking the customs revenue at 45 crores 2 lakhs, which is 8 lakhs less than last year, but which includes the figure of one crore 63 lakhs from customs duty on Government stores. We have also taken into account the fact that the tariff valuation of sugar has been increased from the 1st January last; on other items we have only provided for a small increase over the amounts received in the current year. Under taxes on income we have had to write down the figure for the current year by about 85 lakhs. This is due entirely to the depression in the Bombay mill industry. The figure we have taken is, therefore, 18 crores 22 lakhs. The working of the Post and Telegraph Department will, we estimate, result in a net profit of 24 lakhs and in the detailed estimates will be found an attempt at a Profit and Loss Account which arrives at this result. We also propose to continue for another year the provision for credit to general revenues of the interest on the investments in the Paper Currency Reserve and the excess of the Gold Standard Reserve over £40 millions, which we consider is required by our present revenue position and is justified by the strength of our Reserves.

I think that those are all the detailed figures which will be of special interest to the House except Salt. The salt revenue is particularly difficult to estimate this year for three reasons: first, because stocks have been run down to a minimum; secondly, because the rate at which those stocks will be replenished depends on the rate of duty which may be taken. The lower the rate of duty the faster will be the rate of replenishment, and, if the duty is reduced to Rs. 1-4-0 we expect the rate of replenishment will be very rapid. Thirdly, there is the effect of our credit system under which large quantities of salt pay duty at a rate in force 6 months before. The net result, so far as we can estimate it, is that, if the salt duty remains at Rs. 2-8-0, we shall obtain a revenue of 12 crores 37 lakhs. If it were reduced to Rs. 2-0-0 we should obtain 10 crores 55 lakhs, and if it were reduced to Rs. 1-4-0 we should obtain 9 crores 5 lakhs. But I would point out that of this 9 crores 5 lakhs, no less than 2 crores 16 lakhs will be non-recurring owing to the fact that we expect a large replenishment of stocks over and above a normal year's consumption and also owing to the operation of our credit system, under which a large amount of salt will be paying duty at Rs. 2-8-0. What rate of duty, then, is Government going to recommend? As I say, if a rate of Rs. 1-4-0 is taken, it means that in the next year we shall have to make up a sum of 2 crores 16 lakhs before we can arrive at a surplus. I ask the House to consider what chances in these circumstances there would be of any remission of the provincial contributions not only in the next year but in the following year too if the salt

duty is reduced to Rs. 1-4-0. Then as to the rate of Rs. 2-8-0, this rate was introduced owing to the paramount necessity of balancing the Budget. Government recognise that it was a rate of duty which was not accepted by the Assembly. There remains the middle course, to take the salt duty at Rs. 2-0-0. After most careful consideration, and after consultation with, and with the full approval of the Secretary of State, the Government of India recommend that the salt duty should be reduced to Rs. 2-0-0. This would leave a surplus of 1 crore 54 lakhs, and if this recommendation is accepted by the House, the Government's further recommendation is that $1\frac{1}{2}$ crores of this surplus should be devoted to the reduction of provincial contributions. From this Madras will receive in round figures 80 lakhs, the Punjab 38, the U. P. 30 and Burma 2 lakhs.

In the Finance Bill which will shortly be in the hands of Honourable Members they will find no new proposals for taxation. There are however two items which are worth mentioning. One is that the import duty on motor spirit is being reduced to 4½ annas a gallon and it is proposed also to reduce the excise on petrol to the same figure. We hope that the increase in consumption which should result will prevent us from suffering any loss in revenue from this source. The other proposal is, in order to safeguard our customs revenue from matches, to put a specific duty on imported splints which are used for match making and also on imported match boxes.

Before I conclude, Sir, I should like just to say a few words about our Ways and Means. The House will recognise that this is in some respects the most important part of the Budget. It does in fact disclose the consequences of our revenue and expenditure position. During the current year we have met sums of 23½ crores for railway capital expenditure, 3 crores roughly for Delhi and Irrigation, and Posts and Telegraphs. We have redeemed 5 crores of our funded debt. We have lent to Local Governments 11½ crores, and we have extinguished 19½ crores of Treasury Bills. We have accomplished this mainly by raising a rupee loan of 23 crores and a sterling loan of £18 millions, and we have been considerably helped also by returns from Cash Certificates and deposits in the Post Office Savings Bank. With regard to our remittances to England, we have introduced a new system by which the sales of Council Bills are supplemented by purchases of sterling in India through the Imperial Bank, and I think that the remittances which we have sent of £26½ millions, have in this way been made with less disturbance to the exchange market than would otherwise have been the case. We have also during the recent busy season remitted a sum of Rs. 12 crores to London against the issue of paper currency out here in order to relieve money stringency, and we start the year with £14 millions in our sterling reserves in England. With regard to next year we have no funded debt to meet, and we shall have on the 31st of March very large balances. We have made full provision for a Railway programme of 30 crores and 3 crores for Delhi, irrigation and Post and Telegraph Capital outlay; we have provided for wiping out the remaining 2 crores of Treasury Bills, and for lending to Local Governments 18½ crores, which is all that they have asked for. We have not taken into account any large receipts from Cash Certificates as it will probably be necessary to reduce their yield shortly in view of the better rates we are obtaining for our loans. We count on being able to meet all these obligations without further sales of Treasury Bills, without any sterling borrowing and by raising a rupee loan of not more than 20 crores.

I hope that the House will agree that this record of our revenue and expenditure and of our Ways and Means is not altogether unsatisfactory. It is true that we have in the not distant future to face very large payments of our short term bonds and we have still large obligations to the Provinces. We are still crediting to revenue the interest on our Paper Currency investments. We have still arrears of useful expenditure which has been held up. There is no case for relaxing effort; but I think that we may fairly claim now that we have turned the corner, and that we have passed for ever the era of unbalanced budgets. Finally, I can only thank the House for having given me their attention for so long.

**Schedule of demands for grants for expenditure of the Central Government
for the year 1924-25 submitted for the vote of the Legislative Assembly.**

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account	Amount.
A. - Expenditure from Revenue.			B
1	Customs	Customs	73,17,000
2	Taxes on Income	Taxes on Income	61,32,00
3	Salt	Salt	1,65,000
4	Opium	Opium	2,07,11,000
5	Land Revenue	Land Revenue	1,00
6	Excise	Excise	4,00
7	Stamps	Stamps	114,000
8	Forests	Forests	7,32,000
9	Railways (inclusive of Working Expenses and payment of Surplus Profits to Railway Companies).	State Railways, Subsidised Companies, Miscellaneous Railway Expenditure	(a) 67,0,8,000
10	Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works.	Works for which capital accounts are kept, Miscellaneous Irrigation Expenditure, Construction of Irrigation, etc., Works	18,02,000
11	Indian Postal and Telegraph Department (including Working Expenses).	Posts and Telegraphs	8,16,90,000
12	Indo-European Telegraph Department (including Working Expenses).		38,53,900
13	Interest on Debt and Reduction or Avoidance of Debt.	Interest on ordinary Debt	21,06,000
14	Interest on Miscellaneous Obligations	Interest on other Obligations	3,62,92,00
15	General Administration	General Administration	72,5,0
16	Audit	Audit	76,45,000
17	Administration of Justice	Administration of Justice	4,1,00
18	Jails and Convict Settlements	Jails and Convict Settlements	5,0,0
19	Police	Police	85,1,00
20	Ports and Pilotage	Ports and Pilotage	12,19,00
21	Survey of India	Scientific Departments	22,38,00
22	Meteorology	" "	6,32,100
23	Geological Survey	" "	2,21,0,0
24	Botanical Survey	" "	6,41,1,00
25	Zoological Survey	" "	1,0,1,0,0
26	Archaeology	" "	1,20,1,00
27	Mines	" "	2,28,000
28	Other Scientific Departments	" "	4,73,0,0
29	Education	Education	2,6,1,000
30	Medical Services	Medical	7,79,000
31	Public Health	Public Health	3,26,000
32	Agriculture	Agriculture	12,61,00
33	Civil Veterinary Services	" "	6,45,000
34	Industries	Industries	2,4,000
35	Aviation	Aviation	19,00
36	Commercial Intelligence	Miscellaneous Departments	1,71,1,00
37	Census	" "	1,000
38A.	Emigration—Internal	" "	57,00
38B.	External	" "	81,000
39	Joint-Stock Companies	" "	1,32,0,0
40	Miscellaneous Departments	" "	14,4,1,00
41	Currency	Currency	37,58,000
42	Mint	Mint	13,9,1,00
43	Civil Works (under the control of the Public Works Department).	Civil Works	1,39,69,000
44	Famine Relief	Famine Relief	14,000
45	Superannuation Allowances and Pensions	Superannuation Allowances and Pensions	29,00,000
46	Stationery and Printing	Stationery and Printing	48,38,1,00
47	Miscellaneous	Miscellaneous	43,22,1,00
48	Adjustments with Provincial Governments	Miscellaneous Adjustments between Central and Provincial Governments.	23,65,000
49	Refunds		9,76,000
50	North-West Frontier		1,09,38,1,00
51	Baluchistan		26,14,000
52	Delhi		31,52,1,00
53	Ajmer and Merwara		14,1,6,000
54	Andamans and Nicobar Islands	Distributed over respective heads of account .	39,62,1,100
55	Rajputana		4,47,000
56	Central India		6,52,1,000
57	Hyderabad		1,97,1,000
58	Expenditure in England—Secretary of State for India		23,48,000
59	Expenditure in England—High Commissioner for India		47,29,000
Non-voted	Ecclesiastical, Political, etc.		
TOTAL			98,95,70,000
B. - Expenditure charged to Capital.			
60	Railways	Construction of State Railways	29,97,61,000
61	Irrigation	Construction of Irrigation Works	"
62	Telegraphs	Capital outlay on Telegraphs	1,73,9,000
63	New Capital at Delhi	Initial Expenditure on New Capital at Delhi	1,42,97,000
TOTAL			33,14,53,000
C. - Disbursements of Loans and Advances.			
64	Interest free advances		5,90,59,000
65	Loans and advances bearing interest		14,15,26,000
TOTAL			20,06,15,000
GRAND TOTAL			1,47,16,38,000

(a) In consequence of the decision of the Legislative Assembly not to proceed immediately with the scheme for the separation of

Declaration by the Governor General in Council under Section 67A(7) of the Government of India Act regarding certain demands refused by the Assembly.

In pursuance of Section 67A(7) of the Government of India Act the Governor General in Council is pleased to declare that the following demands which have been refused by the Legislative Assembly are essential to the discharge of his responsibilities, to-wit:—

Number of demands	Description	Amount of demand refused by the Legislative Assembly
		Rs.
1	Customs	71,84,000
2	Taxes on Income	61,32,000
3	Salt	1,06,55,000
4	Opium	2,07,31,000

A. C. MCWATTERS.

Secretary to the Government of India.

The 17th March 1924.

THE INDIAN FINANCE BILL

AS RECOMMENDED TO THE LEGISLATIVE ASSEMBLY ON THE 15TH MARCH 1924.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1913, and to fix rates of income-tax.

VIII of 1894.
VI of 1898.
X of 1923.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1913, and to fix rates of income-tax; It is hereby enacted as follows:—

Short title, extent and duration 1. (1) This Act may be called the Indian Finance Act, 1924.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1925.

XII of 1882.

2. (1) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose

by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden be construed as if, with effect from the 1st day of March, 1924, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

(2) With effect from the first day of March, 1924, section 2 of the Indian Finance Act, 1923, is hereby repealed

VIII of 1894

3. With effect from the first day of March, 1924, the amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894.

4. With effect from the first day of April, 1924, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to

VI of 1898.

that Act.

5. In sub-section 7 of section 10 of the Indian Paper Currency Act, 1921, for the X of 1923, figures "1924" the figures "1925" shall be substituted.

6. (1) Income-tax for the year beginning on the first day of April, 1924, shall be charged at the rates specified in Part I of the Third Schedule.

(2) The rates of super-tax for the year beginning on the first day of April, 1924, shall, for the purposes of section 5 of the Indian Income-tax Act, 1922 be those specified in Part II XI of 1922. of the Third Schedule

(3) For the purposes of the Third Schedule "total income" means total income as defined in clause (15) of section 2 of the Indian Income-tax Act, 1922 XI of 1922.

SCHEDULE I.

"Amendment to be made in Schedule II to the Indian Tariff Act, 1894.

[See section 3.]

After Item No 46 the following Items shall be inserted, namely :—

46A	Undipped SPLINTS such as are Pound ordinarily used for match making.	Four annas and six pies.
46B	VENEERS such as are ordi- Pound narily used for making match boxes, including boxes and parts of boxes made of such veneers.	Six annas.

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898

[See section 4.]

" THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[See section 7.]

Letters.

For a weight not exceeding two and a half tolas One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas One anna.

Postcards.

Single Half an anna.
Reply One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof Half an anna.

Registered Newspapers

For a weight not exceeding eight tolas Quarter of an
anna.
For a weight exceeding eight tolas and not exceeding twenty tolas Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas Half an anna.

Parcels.

For a weight not exceeding twenty tolas Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas Four annas."

BUDGET FOR 1924-25.

SCHEDULE III.

[See section 6.]

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, every unregistered firm and every Hindu undivided family—	
(1) When the total income is less than Rs. 2,000	Nil.
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company, and every registered firm, whatever its total income	One anna and six pies in the rupee.

PART II.

Rates of Super-tax.

	Rate.
In respect of the excess over fifty thousand rupees of total income:—	
(1) In the case of every company	One anna in the rupee.
(2) (a) in the case of every Hindu undivided family—	
(i) in respect of the first twenty-five thousand rupees of the excess	Nil.
(ii) for every rupee of the next twenty-five thousand rupees of such excess	One anna in the rupee.
(b) in the case of every individual and every unregistered firm, for every rupee of the first fifty thousand rupees of such excess.	One anna in the rupee.
(c) in the case of every individual, every unregistered firm and every Hindu undivided family—	
(i) for every rupee of the second fifty thousand rupees of such excess	One and a half annas in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess	Two annas in the rupee.
(iii) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.
(iv) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(v) for every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee.
(vi) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(vii) for every rupee of the next fifty thousand rupees of such excess	Four and a half annas in the rupee.
(viii) for every rupee of the next fifty thousand rupees of such excess	Five annas in the rupee.
(ix) for every rupee of the next fifty thousand rupees of such excess	Five and a half annas in the rupee.
(x) for every rupee of the remainder of the excess	Six annas in the rupee.

RECOMMENDATION BY THE GOVERNOR GENERAL TO THE LEGISLATIVE ASSEMBLY.

In pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, I, Rufus Daniel, Earl of Reading, do recommend to the Legislative Assembly that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income tax, in the form hereto annexed.

READING,

Viceroy and Governor General.

March 18th, 1924.

CERTIFICATE BY THE PRESIDENT, LEGISLATIVE ASSEMBLY.

The Legislative Assembly has refused leave to introduce this Bill in the form recommended.

A. F. WHYTE,
President.

The 20th March, 1924.

THE INDIAN FINANCE BILL.

AS RECOMMENDED TO THE COUNCIL OF STATE ON THE 19TH MARCH 1924.

[As on pages 52 to 54 *ante*.]

CERTIFICATE BY THE GOVERNOR GENERAL.

WHEREAS the Legislative Assembly has refused leave to introduce a Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898 further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, a copy of which Bill is hereto annexed;

Now, THEREFORE, I, Rufus Daniel, Earl of Reading, in exercise of the powers conferred by sub-section (1) of section 67B of the Government of India Act, do hereby certify that the said Bill is essential for the interests of British India.

READING,
Viceroy and Governor General.

The 19th March, 1924.

RECOMMENDATION BY THE GOVERNOR GENERAL TO THE COUNCIL OF STATE.

In pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, I, Rufus Daniel, Earl of Reading, do recommend to the Council of State that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894 to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, in the form hereto annexed.

READING,
Viceroy and Governor General.

The 19th March, 1924.

GOVERNMENT OF INDIA.
LEGISLATIVE DEPARTMENT.

Delhi, the 29th March 1924

The following Act which has been assented to by the Governor General under the provisions of clause b) of sub-section (1) of section 67B of the Government of India Act, and has been expressed to be made by the Governor General under the provisions of sub-section (2) of the same section is hereby published for general information:—

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923 and to fix rates of income-tax; It is hereby enacted as follows:—

- | | | |
|--|--|--|
| VIII of 1894.
VI of 1898.
X of 1923. | Short title, extent and duration | 1. (1) This Act may be called the Indian Finance Act, 1924.
(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.
(3) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1925. |
| XII of 1882. | Fixation of salt duty. | 2. (1) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the first day of March, 1924, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.
(2) With effect from the first day of March, 1924, section 2 of the Indian Finance Act, 1923 is hereby repealed. |
| VIII of 1894. | Amendment of Act VIII of 1894. | 3. With effect from the first day of March, 1924, the amendment specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894. |
| VI of 1898. | Postal rates.
Schedule to that Act. | 4. With effect from the first day of April, 1924, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. |
| X of 1923. | Amendment of Act X of 1923 | 5. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1924" the figures "1925" shall be substituted. |
| XI of 1922. | Income-tax and super-tax | 6. (1) Income-tax for the year beginning on the first day of April, 1924, shall be charged at the rates specified in Part I of the Third Schedule.
(2) The rates of super-tax for the year beginning on the first day of April, 1924, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.
(3) For the purposes of the Third Schedule, "total income" means total income as defined in clause (15) of section 2 of the Indian Income-tax Act, 1922. |
| XI of 1922. | | |

SCHEDULE I.

Amendment to be made in Schedule II to the Indian Tariff Act, 1924.

[See section 3.]

After Item No 46 the following Items shall be inserted, namely :—

“ 16A	Undipped SELINTS such as are ordinarily used for match making.	Pound	Four annas and six pies.
46B	VENEERS such as are ordinarily used for making match boxes, including boxes and parts of boxes made of such veneers.	Pound	Six annas.”

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898.

*(See section 4.)***“THE FIRST SCHEDULE.****INLAND POSTAGE RATES.***(See section 7.)**Letters.*

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna.

Postcards.

Single	Half an anna.
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.
--	---------------

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas.”

SCHEDULE III.*(See section 6.)***PART I.***Rates of Income-tax.*

A. In the case of every individual, every unregistered firm and every Hindu undivided family—	Rate.
(1) When the total income is less than Rs. 2,000	Nil.
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company, and every registered firm, whatever its total income	One anna and six pies in the rupee.

BUDGET FOR 1924-25.

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income :—

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (a) in the case of every Hindu undivided family—	
(i) in respect of the first twenty-five thousand rupees of the excess	<i>Nil.</i>
(ii) for every rupee of the next twenty-five thousand rupees of such excess	One anna in the rupee.
(b) in the case of every individual and every unregistered firm, for every rupee of the first fifty thousand rupees of such excess	One anna in the rupee.
(c) in the case of every individual, every unregistered firm and every Hindu undivided family—	
(i) for every rupee of the second fifty thousand rupees of such excess	One and a half annas in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess	Two annas in the rupee.
(iii) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.
(iv) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(v) for every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee.
(vi) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(vii) for every rupee of the next fifty thousand rupees of such excess	Four and a half annas in the rupee.
(viii) for every rupee of the next fifty thousand rupees of such excess	Five annas in the rupee.
(ix) for every rupee of the next fifty thousand rupees of such excess	Five and a half annas in the rupee.
(x) for every rupee of the remainder of the excess	Six annas in the rupee.

READING,

*Viceroy and Governor General.**The 26th March, 1924.*

This Act has been made by me as Governor General under the provisions of section 67B of the Government of India Act.

READING,

*Viceroy and Governor General.**The 26th March, 1924.*

WHEREAS I, Rufus Daniel, Earl of Reading, am of opinion that a state of emergency exists which justifies a direction by me that the Act to fix the duty on salt manufactured in or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, being an Act made by me under the provisions of section 67B of the Government of India Act, shall come into operation forthwith.

Now, THEREFORE, in exercise of the power conferred by the proviso to sub-section (2) of that section, I do hereby direct accordingly.

READING,

*Viceroy and Governor General**The 26th March, 1924.*

H. MONCRIEFF SMITH,
Secretary to the Government of India.

FINANCE DEPARTMENT.

NOTIFICATION.

ACCOUNTS AND FINANCE.
ESTIMATES AND ACCOUNTS.

Delhi, the 28th March 1924.

No. 998-F.—The following Statement is published for general information:—

A Statement by His Excellency the Governor General of the reasons which moved him to pass an order under section 67B of the Government of India Act for certification of the Indian Finance Bill as recommended to the Legislative Assembly and the Council of State.

A. C. McWATTERS,
Secy. to the Govt. of India.

STATEMENT.

When the Budget for the year 1924-25 was introduced in the Legislative Assembly, the Hon'ble the Finance Member was authorised by me to announce that as our anticipations for the coming year indicated a Budget which would balance on the present basis of taxation and with the salt duty reduced to the former level of Rs. 1-4 per maund, the choice between that rate and any higher rate would be left to the Assembly. At the same time, my Government, with the full concurrence of the Secretary of State for India, made clear their view that a higher rate of salt duty at Rs. 2 per maund would be in the best interests of the country, since it would enable a commencement to be made with the reduction of the Provincial contributions in four Provinces, and would thereby secure increased provision for objects such as Education, Public Health and Industry, the furtherance of which is our anxious concern.

2. When the Demands for Grants under the different heads of expenditure were laid before the Assembly, that House saw fit to reject, without any examination of the expenditure on its merits and for reasons extraneous to the Budget, the Demands for the Customs, Income-tax, Salt, and Opium Departments, four of the main revenue earning Departments of Government. These four demands, on the retention of which the revenue of these important departments necessarily depended, were later on restored by my Government acting in accordance with the powers conferred on them by section 67A (7) of the Government of India Act. The remaining Demands had in the meantime been passed by the Assembly with small reductions under two heads only. When, during the next stage of the Budget procedure, the Finance Bill was presented for the consideration of the Assembly, consideration was refused without examination of details, in spite of the fact that the majority of the Demands for expenditure under different departments of Government had actually been accepted by the House.

3. The position which resulted from the action of the Assembly therefore was that when the Finance Bill providing for the means of meeting the expenditure which it had already voted came before the Assembly, the Bill was rejected without consideration. The Finance Bill prescribes the rates at which taxation shall be levied under several of the most important revenue

heads, including the salt duty, postage and income-tax, and the legislative sanction given by the Finance Act of the preceding year for the collection of taxation under these heads would have expired on the 31st March 1924. In these circumstances it was my obvious duty, under the special powers conferred upon me by section 67B of the Government of India Act, to take such action as was essential for the interests of British India in order to enable the administration of the country to be carried on and to provide sufficient funds to enable the Government of India's Budget for the coming year to be balanced. It was with this sole object in view that I recommended to the Assembly the Finance Bill in a modified form containing only such provisions as were essential for the purposes above mentioned. The Finance Bill as recommended by me provided for the levy of salt duty at the former rate of Rs. 1-4 per maund, for the existing postal rates and rates of income-tax, for the continuance for a further year of the provision, agreed to by the Legislative Assembly last year, for the credit to general revenues of the interest on the securities held in the Paper Currency Reserve, and for the imposition of a specific duty on certain materials for match manufacture, which is required to safeguard the revenue (exceeding 1½ crores of rupees) derived from the present import duty on matches. Certain items, including proposals to reduce the excise duty and the import duty on motor spirit, to reduce the import duty on certain component parts of cotton-mill machinery and to effect other minor changes in the customs tariff, were omitted from the recommended Bill. These proposals, though of a beneficial character, were not such as I could hold to be essential for the interests of India. This Bill with my recommendation was presented to the Legislative Assembly, but leave to introduce it was refused. It was thereupon laid before the Council of State with a certificate by me that the provisions of the Bill were essential for the interests of British India and was passed by the Council without amendment. To this Bill as consented to by that Chamber I have signified my assent.

4. It is to me a matter of regret that the Legislative Assembly, to whom important responsibilities are entrusted in voting expenditure to be incurred by Government and in authorising the provision of the necessary funds to meet that expenditure, should have failed on this occasion to consider these important financial matters on their merits. The action which my Government was compelled to take to restore the four grants rejected by the Assembly and that which I have found it necessary to take in exercise of the special power conferred upon me as Governor General, have as their sole object the maintenance of the administration and the provision of the funds necessary for that administration to be carried on.

READING,

Viceroy and Governor General.

The 28th March 1924.

No. 997-F.

GOVERNMENT OF INDIA
FINANCE DEPARTMENT.

ACCOUNTS AND FINANCE.
ESTIMATES AND ACCOUNTS.

Delhi, the 28th March 1924.

RESOLUTION.

The statements relating to the Revised estimates for 1923-24 and the Budget estimates for 1924-25 which were presented to the Legislative Assembly and the Council of State on the 29th February 1924 have now been revised with reference to the changes made by the Legislative Assembly when voting the demands for grants, the restoration by the Governor General in Council of certain demands refused by the Assembly and the modifications made in the Indian Finance Bill since its introduction in the Assembly on the 1st March 1924. Certain alterations not affecting voted expenditure for 1924-25 have also been made in the estimates in the light of more recent information. The revised statements are now published for general information.

A. C. McWATTERS,
Secretary to the Government of India.

BUDGET

OF THE

GOVERNMENT OF INDIA,

MARCH 1924.

ACCOUNTS	1922-23
REVISED ESTIMATES	1923-24
BUDGET ESTIMATES	1924-25

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1.—General Statement of the Revenue and Expenditure charged to

	For details, <i>vide</i> State- ment	Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		R	R	R	R
Revenue—					
Principal Heads of Revenue—					
Customs	A	41,34,65,362	45,09,41,000	40,41,53,000	45,01,82,000
Taxes on Income	"	17,99,41,150	19,04,64,000	19,07,45,000	18,21,97,000
Salt	"	6,82,46,112	11,75,00,000	8,70,27,000	9,04,62,000
Opium	"	3,78,92,068	3,93,12,000	4,30,64,000	4,33,60,000
Other Heads	"	2,34,00,268	2,44,97,000	2,34,27,000	2,22,32,000
TOTAL PRINCIPAL HEADS		72,29,44,960	82,27,14,000	74,84,16,000	78,84,33,000
Railways Net Receipts	A	26,82,98,476	31,76,58,000	32,37,87,000	29,74,93,000
Irrigation : Net Receipts	"	10,90,752	10,83,000	11,20,000	12,47,000
Posts and Telegraphs . Net Receipts	"	1,22,23,448	2,08,32,000	84,94,000	1,07,41,000
Interest Receipts	"	1,15,70,696	2,50,96,000	3,24,25,000	3,17,25,000
Civil Administration	"	44,34,528	62,08,000	67,49,000	72,01,000
Currency, Mint and Exchange	"	3,62,03,131	2,69,26,000	3,07,68,000	3,63,86,000
Civil Works	"	14,38,067	10,69,000	13,19,000	12,86,000
Miscellaneous	"	62,46,625	48,84,000	3,23,44,000	67,48,000
Military Receipts	"	5,78,78,865	3,04,87,000	4,19,53,000	2,75,16,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments	"	9,22,93,608	9,21,36,000	9,22,29,000	9,22,11,000
TOTAL REVENUE		1,21,41,29,156	1,34,90,43,000	1,31,96,04,000	1,30,09,37,000
DEFICIT		15,01,76,892	...	...	...
TOTAL		1,36,43,05,548	1,34,90,43,000	1,31,96,04,000	1,30,09,37,000

M. F. GAUNTLETT
Auditor General.

DELHI,
FINANCE DEPARTMENT,
The 28th March 1924.

Revenue of the Central Government, in India and in England.

	For detail, vide Statement.	Accounts, 1922-23.	Budget Estimate, 1923-24	Revised Estimate, 1923-24	Budget Estimate, 1924-25.
		R	£	R	£
Expenditure—					
Direct Demands on the Revenues	B	5,22,04,980	5,37,22,000	5,50,92,000	5,54,12,000
Railways: Interest and Miscellaneous Charges	"	25,60,99,247	27,91,32,000	26,09,87,000	25,16,79,000
Irrigation	"	13,75,391	14,20,000	14,51,000	22,85,000
Posts and Telegraphs	"	76,98,536	53,35,000	12,62,000	—11,00,000
Debt Services	"	16,15,89,540	17,21,57,000	16,74,88,000	18,32,51,000
Civil Administration	"	9,94,32,040	9,78,29,000	9,57,10,000	9,80,28,000
Currency, Mint and Exchange	"	1,03,09,731	1,13,11,000	1,05,32,000	77,31,000
Civil Works	"	1,34,81,040	1,76,63,000	1,61,11,000	2,06,50,000
Miscellaneous	"	5,20,56,083	5,15,39,000	4,80,13,000	4,38,73,000
Military Services	"	71,00,58,955	65,04,87,000	63,93,72,000	63,00,16,000
Miscellaneous adjustments between the Central and Provincial Governments	"	..	3,62,000	17,79,000	22,65,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,36,43,05,548	1,34,09,57,000	1,29,89,97,000	1,29,90,90,000
SURPLUS . . . . .		..	80,86,000	2,06,07,000	15,47,000
TOTAL		1,36,43,05,548	1,34,90,43,000	1,31,96,04,000	1,30,09,37,000

A. V. V. AIYAR,
Offg. Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, <i>vide</i> State- ment.	RECEIPTS.			
		Account- 1922-23	Budget Estimate, 1923-24	Revised Estimate, 1923-24	Budget Estimate, 1924-25
		R	R	R	R
Surplus	C	.	80,30,000	2,06,07,000	18,47,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards construction of State Railways	"	26,26,557	4,51,26,000	...	80,24,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	"	66,22,99,053	33,15,56,000	37,21,89,000	36,35,62,000
Floating Debt (net incurred) . . . . .	"	.	...	...	...
Unfunded Debt (net incurred)	"	2,96,51,483	5,01,85,000	10,52,36,000	7,51,45,000
Deposits and Advances (net)	"	17,82,38,542	11,42,69,000	4,89,88,000	15,42,67,000
Loans and Advances by Central Government (net Repayments)	"	20,42,338	6,67,000	20,44,000	6,70,000
Remittances (net)	"	37,92,494	...	...	1,38,000
Balances of Provincial Governments (net)	"	6,84,730	...	5,08,81,600	...
TOTAL DEBT, DEPOSITS AND ADVANCES . . . . .	...	87,66,58,640	49,66,77,000	57,88,38,000	59,87,82,000
TOTAL RECEIPTS . . . . .	...	87,94,85,197	54,98,89,000	59,94,45,000	60,86,53,000
Opening Balance—India . . . . .	...	25,66,13,170	23,89,58,170	25,95,80,424	29,77,01,424
England . . . . .	...	8,99,53,817	7,41,81,817	9,82,19,688	7,63,05,688
TOTAL . . . . .	...	1,22,60,52,184	86,80,28,987	95,72,45,112	98,26,60,112

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
The 28th March 1924.

Central Government, in India and in England.

	For details, vide State- ment	DISBURSEMENTS			
		Accounts, 1922-23	Budget Estimate, 1923-24	Revised Estimate, 1923-24	Budget Estimate, 1924-25.
		R	R	L	R
Deficit	C	15,01,76,892			
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways	"	15,13,42,305	38,52,05,000	23,60,04,000	30,00,00,000
Capital outlay on Indian Postal and Telegraph Department	"	65,02,000	91,30,000	96,65,000	1,73,95,000
Construction of Irrigation Works	"	2,25,210	22,000	7,000	"
Initial expenditure on new Capital at Delhi	"	1,64,79,132	1,97,00,000	1,52,00,000	1,47,00,000
Payments for discharge of Debentures (net)	"	63,31,021	1,51,00,000	1,01,07,000	1,44,86,000
Redemption of Liabilities involved in the purchase of Railways	"				27,07,03,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS		21,59,12,753	46,00,78,000	27,13,43,000	61,72,84,000
Debt, Deposits and Advances—					
Permanent Debt (net discharged)	C	..	..		..
Floating Debt (net discharged)	"	40,61,80,000	5,50,00,000	19,46,00,000	2,13,00,000
Deposits and Advances (net)	"				..
Loans and Advances by Central Government (net Advances) . . . . .	"	..			..
Loans between Central and Provincial Governments (net Advances)	"	9,59,52,697	13,46,77,000	11,32,26,000	12,72,62,000
Remittances (net)	"	..	80,15,000	10,69,000	..
Balances of Provincial Governments (net)	"		1,20,12,000	..	3,00,23,000
TOTAL DEBT, DEPOSITS AND ADVANCES		50,21,32,697	20,97,04,000	30,88,95,000	17,85,85,000
TOTAL DISBURSEMENTS . . . . .	...	86,82,52,072	67,03,77,000	58,32,38,000	79,58,69,000
Closing Balance—India . . . . .	..	25,96,80,424	14,76,21,170	29,77,01,424	13,87,36,424
England		9,82,19,688	4,50,30,817	7,63,03,688	4,80,51,688
TOTAL . . . . .	..	1,22,60,52,184	86,30,28,987	95,72,45,112	98,28,00,112

A. V. V. AIYAR,
Offg. Controller of the Currency.

A C McWATTERS,
Secretary to the Government of India.

A.—Statement of the Revenue of the

HEADS OF REVENUE.	ACCOUNTS, 1922-23				REVISED ESTIMATE,		
	India	England	Purchase	TOTAL	India.	England.	Exchange.
	R	R	R	R	R	R	R
Principal Heads of Revenue—							
I—Customs	41,415,362	..	..	41,415,362	4,415,000	...	..
II—Taxes on Income	17,99,21,150	..	..	17,99,21,150	19,07,45,000	..	..
III—Salt	6,82,46,112	..	..	6,82,46,112	8,70,27,000	..	..
IV—Opium	3,78,62,063	..	..	3,78,62,063	4,01,4,000	..	..
V—Land Revenue	42,93,120	..	..	42,93,120	44,60,000	..	..
VI—Excise	51,68,531	..	..	51,68,531	48,67,000	...	...
VII—Stamps—							
A—Non-judicial	8,34,195	..	..	8,34,195	8,99,000	...	...
B—Judicial	16,76,196	..	..	16,76,196	18,72,000	..	..
VIII—Forest	25,28,572	..	..	25,28,572	24,26,000	..	...
IX—Registration	1,49,131	..	..	1,49,131	1,49,000	..	...
X—Tribute from Indian States	87,50,223	..	..	87,50,223	87,26,000	..	..
TOTAL	72,29,44,960	...	...	72,29,44,960	74,84,16,000	...	...
Railways—							
XI—State Railways—							
Gross Receipts	93,14,77,517	4,53,362	2,53,339	93,22,14,218	94,15,00,000	4,83,000	2,19,000
Deduct—Working Expenses	65,96,16,125	..	...	65,96,16,125	60,96,00,000	...	...
Surplus Profits paid to Companies	69,40,501	..	...	69,40,501	1,11,42,000	...	...
Net Receipts	26,49,20,891	4,53,362	2,53,339	26,56,57,532	32,07,58,000	4,83,000	2,19,000
XII—Subsidised Companies	7,82,523	11,95,423	6,62,933	26,40,884	5,16,000	12,45,000	5,66,000
TOTAL	26,57,03,414	16,78,785	9,16,277	26,82,90,476	32,12,74,000	17,28,000	7,85,000
Irrigation, etc.—							
XIII—Works for which Capital accounts are kept	10,84,943	..	..	10,84,943	11,91,000	—65,000	—29,000
XIV—Works for which no Capital accounts are kept	5,809	...	...	5,809	23,000	...	..
TOTAL	10,90,752	...	...	10,90,752	12,14,000	—65,000	—29,000
Posts and Telegraphs—							
XV—Gross Receipts	9,89,28,881	15,72,538	8,15,058	10,13,14,477	10,12,24,000	16,00,000	7,27,000
Deduct—Working Expenses	8,85,89,711	3,23,517	1,71,801	8,90,85,029	9,21,84,000	19,75,000	8,98,000
Net Receipts	1,03,37,170	12,49,021	6,43,257	1,22,29,448	90,40,000	—3,75,000	—1,71,000
Interest Receipts—							
XVI—Interest	89,34,027	17,40,606	8,96,003	1,15,70,636	85,09,000	1,64,42,000	74,74,000
Carried over	1,00,00,10,223	46,68,172	21,55,537	1,01,61,34,332	1,08,84,58,000	1,77,30,000	80,52,000

* Sterling converted into Rupees at £1 = Rs 10.

Central Government, in India and in England,

1923-24*	Increase (+) Decrease (-) as compared with Budget Estimate 1923-24	BUDGET IN-INDIA, 1924-25				Increase (+) Decrease (-) as compared with Budget, 1923-24	Increase (+) Decrease (-) as compared with Revised, 1923-24
TOTAL		India	England	Scotland	TOTAL		
R	R	R	R	R	R	R	R
40,41,53,000	-1,77,88,000	15,01,82,000			15,01,82,000	-7,59,000	+4,02,000
19,07,15,000	+2,81,000	18,21,97,000			18,21,97,000	-52,37,000	-85,15,000
8,70,27,000	-1,01,73,000	7,04,02,000			7,04,02,000	-2,70,38,000	+4,35,000
4,30,61,000	-1,75,20,000	4,33,61,000			4,33,61,000	+40,48,000	+2,96,000
44,68,000	+71,000	39,62,000			39,62,000	-1,12,000	-5,06,000
18,87,000	-3,71,000	15,53,000			15,53,000	-7,06,000	-3,84,000
8,99,000	-67,000	9,05,000			9,05,000	-61,000	+6,000
18,72,000	+2,77,000	18,22,000			18,22,000	+2,07,000	-50,000
24,26,000	-10,31,000	21,96,000			21,96,000	-12,61,000	-2,30,000
1,49,000	-13,000	1,43,000			1,43,000	-19,000	-6,000
87,26,000	+81,000	8,51,000			86,51,000	+8,000	-75,000
74,84,16,000	-7,42,95,000	78,84,33,000			78,84,33,000	-3,42,81,000	+4,01,17,000
94,22,02,000	-1,35,22,000	97,00,00,000	4,83,000	2,09,000	97,02,92,000	+1,49,68,000	+2,84,90,000
60,96,00,000	+2,05,30,000	60,43,04,000			66,43,04,000	3,41,54,000	-5,47,04,000
1,11,42,000	-12,65,000	1,14,87,000			1,14,87,000	-16,10,000	-3,45,000
32,12,60,000	+57,13,000	29,42,09,000	4,83,000	2,09,000	29,49,01,000	-2,07,96,000	-2,05,59,000
23,27,000	+3,66,000	4,93,000	14,65,000	6,31,000	25,82,000	+6,31,000	+2,65,000
32,37,87,000	-1,61,29,000	29,47,02,000	19,48,000	8,43,000	29,74,93,000	-2,01,65,000	-2,62,94,000
(c) 10,97,000	+18,000	13,80,000	-64,000	-27,000	(d) 12,39,000	+1,60,000	+1,42,000
23,000	+19,000	8,000			8,000	+4,000	-15,000
11,20,000	+37,000	13,38,000	-64,000	-27,000	12,47,000	+1,64,000	+1,27,000
10,35,51,000	-36,32,000	10,48,79,000	8,20,000	3,55,000	10,60,54,000	-11,29,000	+25,03,000
9,50,57,000	-87,06,000	9,81,88,000	14,83,000	6,42,000	9,53,13,000	-89,82,000	-2,56,000
24,94,000	-1,23,38,000	1,16,91,000	-6,83,000	-2,87,000	1,07,41,000	-1,00,91,000	+22,47,000
3,54,25,000	-73,29,000	93,60,000	1,56,09,000	67,56,000	3,17,25,000	+66,29,000	-7,00,000
1,11,42,42,000	-7,81,41,000	1,10,5,24,000	1,68,00,000	72,85,000	1,12,96,39,000	-5,77,41,000	+1,51,97,000

(a) Of this amount R39,27,000 is non-voted and the balance of R66,13,77,000 is voted.

(b) The whole of this amount is voted.

(c) Represents net receipts after deduction of R10,40,000 on account of working expenses.

(d) Represents net receipts after deduction of R9,69,000 on account of working expenses of which R1,60,000 is non-voted and the balance of R8,09,000 is voted.

(e) Of this amount R20,65,000 is non-voted and the balance of R9,32,48,000 is voted.

A. — Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1922-23.				REVISED ESTIMATE,		
	India.	England.	Exchange	TOTAL	India.	England.	Exchange.
	R	R	R	R	R	R	R
Brought forward	1,001,010,340	46,68,472	21,55,537	1,01,61,34,332	1,08,84,53,000	1,77,30,000	80,59,000
Civil Administration—							
XXVII—Administration of Justice	3,56,100	..	...	3,56,160	1,29,000	...	...
XXVIII—Jails and Convict Settlements	7,74,791	..	...	7,74,791	7,91,000	...	...
XXIX—Police	10,40,488	..	...	10,40,488	1,20,000	...	...
XXX—Ports and Pilotage	21,21,101	..	..	21,21,101	21,44,000	...	...
XXVI—Education	1,21,778	..	..	1,21,778	1,39,000	...	...
XXVII—Medicine	63,705	686	381	64,391	1,14,000	...	...
XXVIII—Public Health	1,32,471	..	..	1,32,471	70,000	...	...
XXIX—Agriculture	5,68,611	..	..	5,68,611	9,22,000	...	...
XXX—Industries	2,020	..	..	2,020	1,000	...	...
XXVI—Miscellaneous Departments	1,27,257	..	..	1,27,257	20,19,000	...	...
TOTAL	44,33,158	686	381	44,34,125	67,49,000	...	...
Currency, Mint and Exchange—							
XXVII—Currency	3,12,05,339	14,70,102	8,30,279	3,35,05,720	2,78,37,000	14,57,000	6,63,000
XXVIII—Mint	30,91,068	228	120	31,22,416	18,10,000	1,000	...
TOTAL	3,42,96,407	14,70,330	8,30,399	3,65,97,135	2,96,47,000	14,58,000	6,63,000
Civil Works—							
XXX—Civil Works	14,38,067	...	...	14,38,067	13,19,000	...	...
Miscellaneous—							
XXXIII—Receipts in aid of Superannuation	22,97,609	3,64,898	1,92,002	27,54,509	20,04,000	3,60,000	1,64,000
XXXIV—Stationery and Printing	17,01,574	11,204	353	17,13,131	13,71,000	7,000	3,000
XXXV—Miscellaneous	5,88,047	7,03,508	2,85,430	13,76,985	1,28,000	1,96,38,000	89,26,000
TOTAL	45,87,230	10,79,610	5,88,785	62,15,625	32,46,000	2,00,05,000	90,93,000
Military Receipts—							
XXXVI—Army—							
Effective	3,36,22,667	74,81,527	38,67,726	4,49,71,920	2,36,18,000	38,20,000	17,37,000
Non-effective	10,85,290	15,25,970	7,89,713	24,00,973	9,98,000	12,12,000	5,51,000
	3,47,07,957	90,07,497	46,57,439	4,83,72,893	2,46,11,000	50,32,000	22,88,000
XXXVII—Marine	32,72,538	...	...	32,72,538	29,90,000	...	...
XXXVIII—Military Works	57,33,434	...	...	57,33,434	70,23,000	...	...
TOTAL	4,87,13,929	90,07,497	46,57,439	5,73,78,865	3,46,33,000	50,32,000	22,88,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
XXXIX—Contributions and Assignments to the Central Government by Provincial Governments	9,20,00,000	...	...	9,20,00,000	9,20,00,000	...	...
XL—Miscellaneous adjustments between the Central and Provincial Governments	2,93,603	...	...	2,93,603	2,29,000	...	...
TOTAL	9,22,93,603	...	...	9,22,93,603	9,22,29,000	...	...
TOTAL REVENUE	1,18,99,75,017	1,62,26,596	85,27,514	1,21,47,59,127	1,25,52,76,000	4,42,25,000	2,01,01,000

Government, in India and in England—continued.

1923-24.	Increase (+) Decrease (-) as compared with Budget Estimate, 1923-24	BUDGET ESTIMATE, 1924-25				Increase (+) Decrease (-) as compared with Budget 1923-24	Increase (+) Decrease (-) as compared with Revised, 1923-24
TOTAL.		India	England	Exchange	TOTAL.		
R	R	R	R	R	R	R	R
1,11,42,42,000	-7,31,41,000	1,10,75,24,000	1,68,30,000	72,85,000	1,12,86,39,000	-5,77,11,000	+1,51,97,000
4,29,000	+45,000	4,47,000			4,47,000	+63,000	+18,000
7,91,000	-1,18,000	7,81,000			7,81,000	-1,25,000	-7,000
1,20,000	-11,000	95,000			88,000	-8,000	-22,000
21,41,000	-3,07,000	22,40,000			22,40,000	-2,02,000	+1,05,000
1,38,000	+6,000	1,30,000			1,30,000	-5,000	-9,000
1,14,000	+7,000	1,09,000			1,09,000	+2,000	-5,000
70,000	-52,000	80,000			80,000	-42,000	+10,000
9,22,000	-1,21,000	10,30,000			10,30,000	+5,29,000	+1,05,000
1,000	+1,000						-1,000
20,19,000	+5,82,000	22,71,000			22,74,000	+8,37,000	+2,55,000
67,49,000	+5,41,000	72,01,000			72,01,000	+9,93,000	+4,52,000
2,94,57,000	+30,22,000	2,97,41,000	34,88,000	15,10,000	3,47,39,000	+83,01,000	+52,82,000
13,11,000	+8,20,000	16,46,000	1,000	...	16,47,000	+11,56,000	+3,36,000
3,07,63,000	+38,42,000	3,13,87,000	34,89,000	15,10,000	3,63,66,000	+94,60,000	+56,13,000
13,19,000	+2,50,000	12,36,000	...	...	12,36,000	+1,67,000	-83,000
25,28,000	+6,000	19,76,000	3,43,000	1,51,000	24,75,000	-47,000	-53,000
13,80,000	+2,01,000	8,53,000	7,000	8,000	8,63,000	-3,14,000	-5,17,000
2,84,36,000	+2,73,01,000	5,03,000	20,29,000	8,78,000	34,10,000	+22,75,000	-2,50,26,000
3,23,41,000	+2,75,10,000	33,82,000	33,84,000	10,32,000	67,48,000	+19,14,000	-2,55,06,000
2,91,70,000	+52,32,000	1,62,70,000	35,85,000	15,51,000	2,14,06,000	-25,32,000	-27,64,000
27,61,000	-80,000	9,77,000	10,65,000	4,70,000	25,32,000	-2,59,000	-2,29,000
3,19,31,000	+52,02,000	1,72,47,000	46,70,000	20,21,000	2,39,38,000	-27,01,000	-79,93,000
29,99,000	+8,70,000	14,92,000	...	...	14,92,000	-6,37,000	-15,07,000
70,23,000	+58,94,000	20,86,000	...	...	20,86,000	+4,57,000	-49,37,000
4,19,53,000	+1,14,66,000	2,08,25,000	46,70,000	20,21,000	2,75,16,000	-29,71,000	-1,44,37,000
9,20,00,000	...	9,20,12,000	...	...	9,20,12,000	+12,000	+12,000
2,28,000	+93,000	1,99,000	...	...	1,99,000	+63,000	-30,000
9,32,29,000	+93,000	9,22,11,000	...	...	9,22,11,000	+75,000	-16,000
1,31,96,04,000	-2,94,39,600	1,26,17,16,000	2,73,73,000	1,18,43,000	1,30,09,37,000	-4,81,06,000	-1,86,67,000

Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE	ACCOUNT 1922-23				REVISED ESTIMATE,		
	India	England	Exchange	TOTAL	India	England	Exchange
	R	R	R	R	R	R	R
Direct Demands on the Revenues—							
1—Customs	9,304,498	56,111	44,921	70,62,000	9,931,000	1,37,000	62,000
2—Excise on Income	1,291,788	10,095	21,625	41,56,136	6,41,000	36,000	16,000
3—Salt	1,017,141	7,474	51,022	1,51,66,147	1,41,86,000	34,000	25,000
4—Opium	1,501,919	3,512	1,775	1,86,63,613	2,51,10,000	69,000	31,000
—Indian Opium	1,26,500	2,567	11,151	13,37,101	11,000	51,000	3,000
—Foreign Opium	275,419	1,095	659	72,536	2,000	10,000	5,000
5—Stamps							
—Non-judicial	1,107,141	15,175	9,20,311	3,12,317	3,81,000	20,000	1,45,000
—Judicial	310,110	5,183	70,010	38,97,147	32,10,000	15,000	2,36,000
6—Fees	4,648			40,613	6,000		
7—Registration							
TOTAL	4,82,15,755	6,05,662	3,33,565	5,22,01,980	5,43,54,000	11,95,000	5,43,000
Railway Revenue Account—							
10—State Railways	9,330,192	4,24,26,620	2,26,70,537	18,34,47,349	11,05,44,000	4,24,87,000	1,97,67,000
—Interest on Debt							
—Interest on Capital contributed by Companies	98,034	2,14,5,849	11,14,729	35,55,612	4,30,000	2,11,40,000	96,09,000
—Interest on purchase of Railways		3,35,7,100	1,72,227	5,13,9,57		3,35,75,000	1,52,31,000
—Interest on purchase of Railways		50,751	16,41,522	7,13,837		73,000	14,88,000
11—Subsidies on Railways	9,43,161			9,43,161	7,11,000		
12—Miscellaneous Railway Expenditure	2,701,110	15,37,465	8,11,345	9,99,602	2,97,000	15,60,000	7,09,000
TOTAL	9,94,39,490	10,47,06,07	5,11,89,100	25,60,99,247	11,11,18,000	10,50,30,000	4,68,34,000
Irrigation, etc., Revenue Account—							
14—Works for which Capital accounts are kept—							
—Interest on Debt	12,18,882			12,18,882	12,23,000		
15—Other Revenue Expenditure	9,601	18,247	9,531	1,26,382	2,08,000	34,000	16,000
TOTAL	13,17,483	18,247	9,531	13,45,264	14,41,000	34,000	16,000
Irrigation, etc., Capital Account (charged to Revenue) —							
16—Construction of Irrigation, etc., Works—							
—Financed from Ordinary Revenues	30,127			30,127	1,80,000		
Posts and Telegraphs Revenue Account—							
17—Posts and Telegraphs—							
—Interest on Debt	59,16,002			59,16,002	63,60,000		
Posts and Telegraphs Capital Account (charged to Revenue) —							
18—Capital outlay on Posts and Telegraphs—							
—Indian Postal and Telegraph Department	36,73,788	38,14,852	20,97,524	21,78,588	68,12,000	15,00,000	6,82,000
—Indo-European Telegraph Department	5,57,310	1,21,414	64,892	3,96,051	3,63,000	72,000	33,000
TOTAL	42,31,148	39,36,266	21,02,416	17,82,534	71,75,000	15,72,000	7,15,000
Debt Services—							
19—Interest on Ordinary Debt	17,06,50,911	8,65,97,278	4,55,69,437	30,38,20,526	18,22,00,000	10,27,16,000	4,66,89,000
Deduct—Amount chargeable to—							
—Railways	9,83,68,192	4,24,26,620	2,26,70,537	16,34,47,349	11,05,44,000	4,24,87,000	1,97,67,000
—Irrigation	12,18,882			12,18,882	12,23,000		
—Posts and Telegraphs	59,16,002			59,16,002	63,60,000		
—Provincial Governments	3,02,00,692			3,02,00,692	3,74,90,000		
Remainder chargeable to Ordinary Debt	4,09,50,043	4,41,68,658	2,29,18,900	10,80,37,601	3,65,73,000	5,92,29,000	2,69,22,000
20—Interest on other Obligations	3,06,19,037	51,360	25,231	3,06,95,628	3,08,54,000	76,000	35,000
21—Reduction or Avoidance of Debt	1,51,00,000	50,00,000	21,56,311	2,28,56,311	73,61,000	44,26,000	20,12,000
TOTAL	8,60,69,080	4,92,20,018	2,50,10,442	16,15,89,540	7,47,88,000	6,37,31,000	2,80,69,000
Carried over	28,70,76,789	15,82,55,800	8,30,35,105	47,83,67,694	24,10,46,000	18,91,23,000	7,70,11,000

of the Central Government, in India and in England.

1928-29

PUDGE ISLAMATI 924-25

TOTAL	Increase (+) Decrease (-) as compared with Budget 1928-29	INDIA				Increase (+) Decrease (-) as compared with Budget 1928-29	Increase (+) Decrease (-) as compared with Budget 1928-29	DISTRIBUTION OF TOTAL BETWEEN	
		India	England	China	TOTAL			Voted	Non voted
R	£	R	£	R	£	R	£	R	£
71,92,000	000	57,000	1,30,000	7,000	82,23,000	+97,000	+10,30,000	72,40,000	9,79,000
61,98,000	-11,000	15,000	4,000	0	65,19,000	+1,10,000	+21,000	61,19,000	3,71,000
1,42,65,000	-11,800	1,11,100	6,000	2,700	1,42,55,000	-15,000	+2,70,000	1,09,90,000	5,43,000
2,58,43,000	+7,200	2,50,100	7,000	4,000	2,50,25,000	+2,77,000	-1,30,000	2,09,90,000	1,16,000
11,87,000	-1,000	1,70,000	11,000	15,000	13,37,000	+1,71,000	+1,10,000	12,10,000	1,22,000
2,15,000	200	2,000	21,000	900	2,66,000	-5,000	-1,000	1,57,000	1,04,000
-3,16,000	1,600	5,000	500,000	1,600	-50,000	-2,10,000	+1,000	1,55,000	18,000
0,000	1,700	6,000	3,200	1,57,000	2,49,000	+1,000	1,000	(c)-8,32,000	5,82,000
40,25,000	5,000	2,95,000	3,200	1,57,000	31,200	11,000	-1,000	3,000	4,000
36,000	-1,000	7,000			27,000	-5,000	+1,000		
5,60,92,000	+2,000	5,30,10,000	12,37,000	5,30,000	5,52,12,000	+16,90,000	6,50,000	4,90,80,000	(1,14,000)
17,37,93,000	-1,39,000	12,41,000	4,79,97,000	1,99,09,000	19,00,65,000	+2,79,000	+1,27,71,000		19,00,69,000
2,11,70,000	-10,500	1,70,000	1,20,000	83,19,000	2,80,09,000	-4,10,000	31,70,000		2,80,09,000
4,88,36,000	-15,200		07,700	89,99,000	(a)2,97,60,000	-2,60,000	-1,90,000		2,97,50,000
47,61,000	-1,100				(b)16,00,000	-19,10,000	-47,61,000		...
7,41,000	-19,100	16,00,000	1,50,000	80,000	22,45,000	-9,90,000	+8,00,000	16,00,000	10,43,000
16,72,000	+4,200	-4,11,000				+9,05,000	+5,70,000	11,90,000	
26,09,87,000	-1,81,000	12,58,22,000	8,79,000	3,80,19,000	25,16,79,000	-2,71,53,000	-93,08,000	27,96,000	24,85,83,000
12,33,000	+1,45,000	12,41,000		14,000	12,41,000	-1,53,000	+9,000		15,41,000
2,58,000	+1,100	8,70,000	33,000		9,23,000	+8,07,000	+6,85,000	9,72,000	51,000
14,91,000	+2,87,000	21,10,000	33,000	14,000	21,61,000	+9,60,000	+6,73,000	8,72,000	12,92,000
1,60,000	-50,000	1,21,000			1,21,000	-95,000	-39,000	1,21,000	...
63,60,000	-4,68,000	71,00,000			71,00,000	+7,72,000	+7,40,000		71,00,000
-46,30,000	-31,56,000	-1,12,91,000	17,70,000	7,66,000	-87,45,000	-75,71,000	-41,15,000	-87,45,000	...
-4,68,000	-1,40,000	-8,92,000	6,50,000	2,84,000	5,45,000	+8,64,000	+10,13,000	5,45,000	...
-50,98,000	-36,05,000	-1,16,73,000	24,23,000	10,50,000	-82,00,000	-87,07,000	-31,02,000	-82,00,000	
34,16,05,000	-1,20,68,000	20,00,60,000	10,48,90,000	4,54,00,000	35,02,90,000	-33,38,000	+86,85,000		
17,37,98,000	+1,39,92,000	12,41,63,000	4,59,97,000	1,99,09,000	19,00,69,000	-22,79,000	-1,62,71,000		...
12,33,000	-1,45,000	12,41,000			12,41,000	-1,53,000	-8,000		...
63,60,000	+4,68,000	71,00,000			71,00,000	-2,72,000	-7,40,000		...
3,74,90,000	+25,25,000	4,48,08,000			4,46,08,000	-45,03,000	-71,18,000		...
12,27,21,000	+47,72,000	2,28,83,000	5,85,98,000	2,54,91,000	10,72,72,000	-1,08,60,000	-1,51,52,000	21,00,000	10,51,86,000
3,69,65,000	-11,96,000	3,68,06,000	70,000	30,000	3,64,06,000	+42,45,000	+54,41,000	3,68,06,000	1,00,000
1,37,90,000	-82,15,000	90,81,000	2,08,58,000	59,51,000	3,95,73,000	+1,75,20,000	+2,57,74,000	...	3,95,73,000
16,74,88,000	-16,000	6,91,25,000	7,90,51,000	3,44,75,000	18,32,51,000	+1,10,94,000	+1,57,53,000	3,84,12,000	14,48,39,000
48,74,80,000	-2,42,86,000	21,62,52,000	17,11,82,000	7,40,98,000	49,15,27,000	-2,02,39,000	+40,47,000	8,32,99,000	49,82,28,000

(a) Represents only the interest portion of the annuities, the capital portion being included under the head "21—Reduction or Avoidance of Debt."

Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE	ACCOUNT- 1922-23				REVISED ESTIMATE,		
	India	England	Exchange	Local	India	England	Exchange
	R	P	R	R	R	R	R
Brought forward	27,06,789	15,82,570	30,55,105	47,89,67,694	24,10,11,000	16,94,23,000	7,70,11,000
Civil Administration—							
22—General Administration—							
A—Head of Provinces (including Govt. and General) and Executive Councils					21,17,000		
B—Legislative Bodies					7,27,000		
C—Secretariat and Headquarters Establishment	1,26,83,295			1,26,83,295	67,74,000		
D—Commissioners					8,000		
E—District Administration					15,5,000		
F—Home Administration, etc.		51,07,680	26,26,147	77,33,827		32,89,000	14,72,000
23—Audit	70,28,026	19,345	1,66,79	75,13,150	70,41,000	2,71,000	1,33,000
24—Administration of Justice	9,99,52	73,088	38,311	11,07,46	12,70,000	52,000	37,000
25—Jails and Convict Settlements	10,3,259	23,57	1,702	10,30,518	36,76,000	19,000	22,000
26—Police	87,15,674	1,24,51	79,273	89,17,395	82,54,000	1,91,000	87,000
27—Ports and Pilgrage	20,12,187	1,55,192	53,749	22,51,368	21,60,000	1,19,000	54,000
28—Post and Rail	25,6,101	2,6,376	1,40,48	28,72,275	25,93,000	3,78,000	1,26,000
29—Public Works	2,94,71,76	3,86,237	9,10,416	3,03,68,679	3,04,10,000	3,89,000	1,77,000
30—Scientific Departments	81,28,501	6,20,332	3,28,422	90,77,755	79,02,000	5,65,000	2,87,000
31—Education	20,16,22	40,260	21,119	30,77,631	30,85,000	90,000	41,000
32—Medical	27,64,110	1,43,132	2,29,715	32,36,977	23,89,000	3,43,000	1,58,000
33—Public Health	15,29,878	17,63	25,211	16,02,755	15,2,000	65,000	30,000
34—Agriculture	19,90,617	61,277	32,514	20,84,798	23,16,000	1,32,000	60,000
35—Industries	11,053	15,579	7,90	34,608	21,000	41,000	19,000
36—Aviation	16,009	1,104	599	17,712	22,000	1,000	
37—Miscellaneous Departments	20,77,025	3,51,308	1,79,405	24,07,738	19,48,000	15,03,000	6,84,000
TOTAL	8,68,75,646	82,70,264	42,86,180	9,94,32,040	8,61,39,000	65,80,000	29,91,000
Currency, Mint and Exchange—							
38—Currency	27,56,168	39,18,338	20,39,700	87,14,206	30,80,000	41,06,000	18,66,000
39—Mint	15,12,179	51,206	29,140	15,95,525	14,96,000	51,000	23,000
TOTAL	42,68,347	39,73,544	20,68,840	1,03,09,731	44,86,000	41,57,000	18,89,000
Civil Works—							
41—Civil Works	1,32,97,744	1,19,926	63,370	1,34,81,040	1,59,32,000	1,23,000	58,000
Miscellaneous—							
43—Famine Relief and Insurance—							
A—Famine Relief	80,651			80,651	12,000		
44—Territorial and Political Pensions	27,37,834	1,15,633	60,260	29,13,727	28,53,000	1,24,000	58,000
45—Superannuation Allowances and Pensions	37,66,423	2,11,47,510	1,11,30,499	3,60,44,468	13,12,000	2,03,55,000	92,52,000
46—Stationery and Printing	40,42,491	14,24,492	7,48,154	62,15,170	38,83,000	18,79,000	8,54,000
47—Miscellaneous	48,14,104	12,98,030	6,89,908	68,02,072	51,24,000	16,01,000	7,23,000
TOTAL	1,54,41,512	2,39,85,725	1,28,28,851	5,20,56,088	1,31,64,000	2,39,59,000	1,08,90,000
Military Services—							
48—Army—							
Effective	44,38,06,927	7,27,96,971	3,74,68,758	55,35,72,656	39,72,92,000	6,52,80,000	2,96,75,000
Non-effective	4,15,19,347	3,42,12,042	1,77,55,505	9,34,87,494	4,00,88,000	3,62,48,000	1,64,76,000
	48,48,26,974	10,70,09,013	5,52,24,263	64,70,60,150	43,73,75,000	10,15,28,000	4,61,49,000
49—Marine	99,77,625	20,49,100	13,71,593	1,39,98,618	60,89,000	25,96,000	11,80,000
50—Military Works	1,87,09,654	15,26,856	7,61,649	4,90,00,187	4,32,04,000	8,80,000	3,91,000
TOTAL	54,15,11,151	11,11,87,299	5,73,57,505	71,00,58,955	48,66,68,000	10,49,84,000	4,77,20,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
52—Miscellaneous adjustments between the Central and Provincial Governments					17,79,000		
TOTAL EXPENDITURE CHARGED TO REVENUE	82,90,74,189	80,57,91,558	15,94,39,801	1,36,43,05,548	84,92,14,000	80,92,26,000	1,05,57,000

*Sterling converted into Rupees at £1 = Rs.10.

of the Central Government in India and in England—continued.

1923-24 *		BUDGET ESTIMATE, 1924-25							
TOTAL	Increase (+) Decrease (-) as compared with Budget, 1923-24	India	England	Exchange	TOTAL	Increase (+) Decrease (-) as compared with Budget, 1923-24	Increase (+) Decrease (-) as compared with Revised 1923-24	DISTRIBUTION OF TOTAL EXPENDITURE	
R	R	R	R	R	R	R	R	Voted	Non-voted
18,74,80,000	2,42,61,000	2,52,000	17,11,82,000	7,10,93,000	19,15,27,000	-2,02,39,000	+40,47,000	8,92,99,000	40,82,28,000
24,17,000	12,000	24,02,000			24,02,000	-33,000	-47,000		
7,27,000	-1,81,000	7,42,000			7,42,000	-1,66,000	+15,000		
67,74,000	-1,90,000	71,83,000			71,38,000	+593,000	+2,61,000	99,05,000	6,35,80,000
15,75,000	-1,00,000	15,47,000			15,47,000	-6,000	-28,000		
47,11,000	+1,70,000	48,81,000	32,29,000	13,07,000	46,26,000	+4,87,000	-5,000		
71,34,000	-1,00,000	70,34,000	2,79,000	1,21,000	84,83,000	+5,43,000	+10,49,000	77,85,000	7,18,000
13,80,000	+2,17,000	11,32,000	92,000	36,000	12,50,000	+78,000	-1,39,000	9,14,000	3,34,000
37,27,000	-2,12,000	39,12,000	17,000	20,000	39,79,000	-30,000	+2,32,000	37,11,000	2,80,000
85,32,000	-1,15,000	86,10,000	1,80,000	81,000	88,77,000	+1,97,000	+1,15,000	73,78,000	9,99,000
23,33,000	-1,79,000	22,80,000	1,75,000	71,000	25,37,000	+25,000	+2,04,000	12,74,000	12,63,000
29,97,000	-2,80,000	29,34,000	2,77,000	1,10,000	33,31,000	+48,000	+3,81,000	33,11,000	3,11,000
2,98,14,000	-16,47,000	3,15,70,000	4,67,000	2,02,000	3,22,42,000	+7,81,000	23,98,000	2,22,42,000	2,22,42,000
87,24,000	-1,63,000	70,31,000	1,25,000	2,71,000	79,33,000	-9,00,000	-7,91,000	61,05,000	12,25,000
32,16,000		30,53,000	75,000	32,000	31,60,000	-56,000	-56,000	26,40,000	5,20,000
28,58,000	+1,08,000	21,15,000	3,52,000	1,44,000	28,91,000	+1,11,000	+3,000	18,32,000	10,59,000
16,17,000	-53,000	12,78,000	60,000	29,000	13,73,000	-2,17,000	-2,11,000	5,14,000	8,29,000
25,08,000	+4,27,000	25,20,000	99,000	4,070	26,62,000	+58,000	+1,51,000	21,74,000	4,88,000
81,000	+5,000	11,000	49,000	21,000	81,000	+2,000		61,000	20,000
23,000	1,000	21,000	1,000		22,000	-2,000	-1,000	20,000	2,000
41,35,000	-1,77,000	-0,05,000	5,16,000	2,23,000	27,42,000	-15,48,000	-18,91,000	23,70,000	3,74,000
9,57,10,000	-1,19,000	9,87,07,000	65,05,000	29,11,000	9,80,28,000	+1,09,000	+23,18,000	4,72,34,000	5,07,94,000
90,52,000	-4,37,000	89,98,000	21,97,000	9,51,000	61,46,000	-38,43,000	-29,06,000	59,58,000	1,80,000
14,86,000	-3,42,000	14,48,000	68,000	29,000	15,85,000	-2,37,000	+1,05,000	14,31,000	1,54,000
1,05,32,000	-7,79,000	44,86,000	22,65,000	9,80,000	77,51,000	-35,80,000	-28,01,000	73,80,000	3,42,000
1,61,11,000	-13,52,000	2,04,75,000	1,22,000	53,000	2,06,50,000	+29,87,000	+45,39,000	1,89,69,000	66,81,000
12,000	+7,000	14,000			14,000	+9,000	+2,000	14,000	
30,33,000	+47,000	28,39,000	1,15,000	50,000	29,94,000	+8,000	-39,000		29,94,000
3,09,19,000	-37,43,000	14,38,000	1,98,54,000	85,78,000	2,98,85,000	-47,77,000	-10,31,000	40,86,000	2,57,99,000
65,96,000	+5,96,000	41,08,000	7,06,000	3,06,000	51,20,000	-8,80,000	-14,76,000	50,21,000	96,000
74,53,000	-4,33,000	73,50,000	23,10,000	10,00,000	1,08,80,000	+29,74,000	+34,07,000	78,49,000	30,11,000
4,80,13,000	-35,28,000	1,59,30,000	2,29,85,000	99,49,000	4,88,73,000	-26,66,000	+8,60,000	1,69,73,000	3,19,00,000
49,22,45,000	-1,57,94,000	49,21,80,000	6,65,17,000	2,87,80,000	48,74,37,000	-2,06,02,000	-48,08,000	...	48,74,37,000
9,28,07,000	+23,50,000	3,76,67,000	8,74,82,000	1,62,24,000	9,13,73,000	+9,16,000	-14,84,000	...	9,13,73,000
58,50,52,000	-1,34,41,000	42,97,97,000	10,39,98,000	4,50,14,000	57,88,10,000	-1,96,86,000	-62,42,000	...	57,88,10,000
98,65,000	+2,29,000	55,97,000	24,92,000	10,79,000	91,68,000	-4,68,000	-6,97,000	...	91,68,000
4,44,55,000	+21,00,000	4,13,53,000	4,78,000	2,07,000	4,20,38,000	-3,17,000	-24,17,000	...	4,20,38,000
63,93,72,000	-1,11,15,000	47,67,47,000	10,69,69,000	4,63,00,000	63,00,16,000	-2,01,47,000	-98,50,000	...	63,00,16,000
17,79,000	+14,17,000	22,65,000	...	...	22,65,000	+19,03,000	+4,86,000	22,65,000	...
1,29,89,97,000	-4,19,60,000	85,48,71,000	31,00,28,000	13,41,91,000	1,29,90,90,000	-4,18,67,000	+28,000	17,11,29,000	1,12,79,61,000

C.—Statement of Receipts and Disbursements of the

	ACCOUNT, 1922-23			REVISED ESTIMATE, 1923-24			BUDGET ESTIMATE, 1924-25		
	India	England	TOTAL	India	England	TOTAL	India	England	TOTAL
	R	R	R	R	R	R	R	R	R
Revenue (from Statement A)	1,16,93,75,017	1,62,26,395	1,20,56,01,612	1,25,52,76,000	4,42,25,000	1,29,95,01,000	1,26,17,16,000	2,73,73,000	1,26,90,89,000
Exchange added to Revenue	85,27,544	...	85,27,544	2,01,03,000	...	2,01,03,000	1,18,48,000	...	1,18,48,000
TOTAL	1,19,79,02,561	1,62,26,395	1,21,41,29,156	1,27,53,79,000	4,42,25,000	1,31,96,04,000	1,27,35,64,000	2,73,73,000	1,30,09,37,000
Excess of Revenue over Expenditure charged to Revenue			-15,01,76,392			2,06,07,000			18,47,000
Railway Capital not charged to Revenue— Capital contributed by Railway Companies and Indian States towards outlay on State Railways	10,41,557	17,85,000	28,26,557		...	...	21,24,000	56,00,000	80,24,000
Public Debt Incurred— Permanent Debt— Sinking Debt— Debenture stock of East Indian Railway Company taken over by the Secretary of State	...	14,55,03,954	...	...	9,28,000	...	...	18,50,00,000	...
5 per cent Stock	...	17,00,00,000	...	...	18,05,54,000	...	...	9,57,000	8,68,000
4 per cent Stock	...	...	...	...	...	...	...	...	...
Rupie Debt— New Rupee Loan	19,49,00,000	...	...	...	...	...	20,00,00,000	...	...
6 per cent Bonds, 1912	...	...	...	...	...	...	...	...	...
6 per cent Bonds, 1926	...	...	...	...	...	...	...	...	...
6 per cent Bonds, 1927	27,38,19,800	...	...	2,000	...	...	...	...	...
5 per cent War Bonds 1921	100	...	...	...	...	...	...	...	...
5 per cent Loan 1945-55	...	...	...	9,79,77,000	...	...	...	...	...
5 per cent Bonds, 1933	...	...	...	14,17,70,000	...	...	...	...	...
3 per cent Loans	...	...	...	12,77,000	...	...	6,00,000	...	...
TOTAL NET	46,57,20,900	1,55,08,954	78,42,29,854	24,09,49,000	18,15,83,000	42,25,32,000	20,06,00,000	16,68,65,000	38,74,55,000
Floating Debt— Treasury Bills— Issued to Public	46,19,10,000	...	...	6,63,00,000	...	...	...	...	...
Issued to Paper Currency Reserve	49,65,00,000	...	...	55,25,00,000	...	...	55,25,00,000	...	...
Other Floating Loans	...	...	...	5,00,00,000	...	...	...	...	...
TOTAL NET	95,84,10,000	...	95,84,10,000	66,88,00,000	...	66,88,00,000	55,25,00,000	...	55,25,00,000
Unfunded Debt— Deposits of Service Funds	15,83,523	20,102	...	14,51,000	10,92,000	...	14,20,000	1,62,000	...
Post Office Cash Certificates	70,00,000	...	...	6,58,00,000	...	...	8,00,00,000	...	...
Savings Bank Deposits	24,38,22,723	1,91,702	...	26,18,35,000	1,40,000	...	27,74,42,000	1,20,000	...
TOTAL NET	26,14,06,339	2,14,804	25,16,21,143	32,15,86,000	12,32,000	33,28,18,000	30,38,62,000	2,82,000	30,91,44,000
Deposits and Advances— Appropriation for Reduction or Avoidance of Debt	...	...	...	...	...	...	11,00,000	...	...
Deposits of Local Funds— District Funds	11,90,75,388	...	...	12,25,19,000	...	...	12,05,85,000	...	...
Other Funds	8,20,49,880	...	...	8,11,35,000	...	...	8,20,75,000	...	...
Deposits of Branch Line Companies	3,25,196	...	...	8,54,000	...	...	9,97,000	...	...
Sinking Funds for Central Loans	1,54,00,000	...	...	78,61,000	...	...	88,31,000	...	...
Other Sinking Fund Deposits	3,12,583	...	...	3,25,000	...	...	3,38,000	...	...
Gold Standard Reserve	...	1,47,88,22,023	...	...	1,22,87,92,000	...	...	1,03,90,72,000	...
Paper Currency Reserve	2,12,47,911	24,19,85,856	...	2,97,72,000	42,25,37,000	...	...	45,98,58,000	...
Departmental and Judicial Deposits	80,78,52,914	...	...	74,63,48,000	...	...	74,15,09,000	...	...
Advances	18,17,50,326	1,25,78,870	...	20,66,37,000	77,00,000	...	18,58,20,000	6,68,000	...
Discount Sinking Fund	...	...	...	...	...	...	4,40,000	...	...
Suspense Accounts	95,49,987	2,47,54,928	...	1,98,35,000	1,69,60,000	...	1,03,41,000	1,95,86,000	...
Exchange on Remittance Accounts	16,95,17,740	...	...	3,22,27,000	...	...	18,97,35,000	...	...
Miscellaneous	11,24,25,997	72,20,111	...	89,80,000	48,27,000	...	1,25,14,000	45,29,000	...
TOTAL NET	1,46,90,07,867	1,76,54,28,788	3,23,44,36,655	1,25,19,98,000	1,87,83,16,000	2,93,03,09,000	1,80,48,85,000	1,52,37,18,000	2,82,86,03,000
Carried over	4,34,64,89,224	2,06,91,21,141	17,32,38,542	3,76,87,07,000	1,80,55,58,000	4,89,38,000	3,64,28,85,000	1,74,88,23,000	15,42,67,000

Central Government, in India and in England.

	ACCOUNTS 1922-23			REVISED ESTIMATE, 1923-24.			BUDGET ESTIMATE, 1924-25.		
	India	England	TOTAL	India	England	TOTAL	India	England	TOTAL
	R	R	R	R	R	R	R	R	R
Expenditure (from Statement I)	80,90,71,189	30,57,91,558	1,20,48,62,747	84,92,11,000	30,92,26,000	1,15,84,40,000	85,23,71,000	31,00,28,000	1,16,23,99,000
Exchange charged on Expenditure	15,94,39,801	..	15,94,39,801	11,05,57,000	..	11,05,57,000	13,41,91,000	..	13,41,91,000
TOTAL	1,16,85,11,990	30,57,91,558	1,30,43,03,548	95,97,71,000	30,92,26,000	1,26,89,97,000	98,65,62,000	31,00,28,000	1,29,65,90,000
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—									(a)
CONSTRUCTION OF STATE RAILWAYS	8,56,80,812	9,56,81,497	18,13,62,309	12,65,12,000	10,77,52,000	23,60,64,000	18,43,16,000	11,56,84,000	30,10,00,000
REDEMPTION OF LIABILITIES INCURRED IN THE PURCHASE OF RAILWAYS	..	..	..	..	..	..	5,57,03,000	18,50,00,000	27,07,03,000
EXPENDITURE FOR DISCHARGE OF DEBT	2,31,021	40,00,000	42,31,021	32,32,000	71,55,000	1,04,07,000	43,76,000	1,01,10,000	1,44,86,000
CONSTRUCTION OF IRRIGATION WORKS	2,21,273	946	2,22,219	5,000	2,000	7,000	..	..	..
CAPITAL OUTLAY ON INDIAN POSTAL AND TELEGRAPH DEPARTMENT	65,62,006	..	65,62,006	96,63,000	..	96,63,000	1,73,95,000	..	1,73,95,000
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	1,66,89,085	17,90,367	1,84,79,452	1,74,69,000	7,31,000	1,82,00,000	1,41,62,000	5,38,000	1,47,00,000
Public Debt—									
Discharged—									
Permanent Debt—									
Rupai Debt—									
5 p. c. War Bonds, 1920	12,66,675	..	12,66,675	1,00,000	..	1,00,000	3,00,000	..	3,00,000
Do. Do. 1921	34,07,950	..	34,07,950	6,00,000	..	6,00,000	4,00,000	..	4,00,000
Do. Do. 1922	7,41,03,400	..	7,41,03,400	23,00,000	..	23,00,000	4,00,000	..	4,00,000
Do. Do. 1923	8,00,500	..	8,00,500	1,40,00,000	..	1,40,00,000	15,00,000	..	15,00,000
Do. Do. 1925	..	..	..	1,000	..	1,000	..	..	..
Do. Do. 1928	..	..	..	32,000	..	32,000	..	..	..
5 p. c. War Loan, 1929-47	34,39,500	..	34,39,500	41,07,000	..	41,07,000	48,93,000	..	48,93,000
5 p. c. Loan, 1940-55	1,37,23,800	..	1,37,23,800	..	..	..	86,00,000	..	86,00,000
4 p. c. Loans	2,31,67,300	..	2,31,67,300	2,72,00,000	..	2,72,00,000	22,00,000	..	22,00,000
3 p. c. Loans	3,076	..	3,076	8,000	..	8,000	..	..	..
3 p. c. Loan	78,400	..	78,400	14,00,000	..	14,00,000	7,00,000	..	7,00,000
Provincial Debenture Loans	200	..	200	..	..	..	..	..	..
TOTAL	12,19,30,801	..	12,19,30,801	5,03,43,000	..	5,03,43,000	1,88,93,000	..	1,88,93,000
NET	..	..	0	..	..	0	..	..	0
Floating Debt—									
Treasury Bills—									
Issued to Public	78,56,80,000	..	78,56,80,000	26,09,00,000	..	26,09,00,000	2,13,00,000	..	2,13,00,000
Do. Paper Currency Reserve	57,89,00,000	..	57,89,00,000	55,25,00,000	..	55,25,00,000	55,25,00,000	..	55,25,00,000
Other Floating Loans	..	..	..	5,00,00,000	..	5,00,00,000	..	..	..
TOTAL	1,36,45,80,000	..	1,36,45,80,000	86,34,00,000	..	86,34,00,000	57,38,00,000	..	57,38,00,000
NET	..	..	40,61,80,000	..	..	19,46,00,000	..	..	2,13,00,000
Unfunded Debt—									
Special Loans	30,387	..	30,387	30,000	..	30,000	30,000	..	30,000
Deposits of Service Funds	15,21,881	1,35,979	16,57,860	15,29,000	3,00,000	18,29,000	15,40,000	20,000	15,60,000
Post Office Cash Certificates	1,91,40,822	..	1,91,40,822	1,62,00,000	..	1,62,00,000	1,50,00,000	..	1,50,00,000
Savings Bank Deposits	20,10,57,865	76,782	20,11,34,647	20,94,53,000	70,000	21,04,53,000	21,73,59,000	50,000	21,78,59,000
TOTAL	22,17,56,955	2,12,761	22,19,69,716	22,72,12,000	3,70,000	23,04,82,000	23,39,29,000	70,000	23,39,99,000
NET	..	..	0	..	..	0	..	..	0
Deposits and Advances—									
Deposits of Local Funds—									
District Funds	11,97,70,540	..	11,97,70,540	12,46,95,000	..	12,46,95,000	12,14,21,000	..	12,14,21,000
Other Funds	7,87,78,969	..	7,87,78,969	8,20,04,000	..	8,20,04,000	8,22,71,000	..	8,22,71,000
Deposits of Branch Line Companies	6,69,132	..	6,69,132	10,05,000	..	10,05,000	8,89,000	..	8,89,000
Sinking Funds for Central Loans	1,70,22,478	..	1,70,22,478	37,80,000	..	37,80,000	1,24,14,000	..	1,24,14,000
Gold Standard Reserve	..	1,47,88,73,198	1,47,88,73,198	..	1,22,67,92,000	1,22,67,92,000	..	1,08,90,72,000	1,08,90,72,000
Paper Currency Reserve	8,16,02,454	24,19,85,856	32,35,88,310	..	42,25,37,000	42,25,37,000	..	45,98,58,000	45,98,58,000
Departmental and Judicial Deposits	81,00,83,386	1,24,75,892	82,25,59,278	76,22,16,000	..	76,22,16,000	78,89,17,000	..	78,89,17,000
Advances	12,82,61,679	..	12,82,61,679	18,32,33,000	94,93,000	18,47,26,000	18,23,56,000	14,01,000	18,37,57,000
Discount Sinking Fund	..	1,99,91,723	1,99,91,723	81,72,000	..	81,72,000	95,90,000	..	95,90,000
Suspense Accounts	4,99,45,779	..	4,99,45,779	1,49,36,000	1,69,60,000	1,69,60,000	..	1,95,86,000	1,95,86,000
Miscellaneous	96,09,852	71,09,186	1,67,19,038	..	2,04,98,000	2,04,98,000	..	85,56,000	85,56,000
TOTAL	1,29,56,99,763	1,78,04,95,850	3,07,61,95,613	1,18,50,41,000	1,69,62,50,000	2,88,12,91,000	1,14,58,59,000	1,63,84,78,000	2,07,43,37,000
NET	..	..	0	..	..	0	..	..	0
Carried over	4,17,39,61,686	2,17,09,72,419	6,34,49,34,105	3,47,44,70,000	2,12,15,16,000	5,59,59,86,000	3,26,74,94,000	2,14,99,08,000	5,41,73,02,000

Rs 99,000 is non-voted and the balance of Rs 29,97,61,000 is voted.

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1922-23			REVISED ESTIMATE, 1923-24			BUDGET ESTIMATE, 1924-25.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Brought forward	1,31,64,931	2,14,20,91	61,141	3,76,87,07,000	1,90,53,56,000		3,64,28,35,000	1,71,39,23,000	
Loans and Advances by the Central Government	32,49,931	...	32,49,931	35,19,000		35,19,000	28,71,000	..	28,71,000
Net			20,42,338			20,44,000			6,70,000
Loans between Central and Provincial Governments	1,17,68,164		1,17,68,164	98,35,000		98,35,000	1,20,63,000	...	1,20,63,000
Net			0			0			0
Remittances—									
Remittances within India—									
Inland Money Orders	83,16,21,608	..		85,00,00,000	...		85,00,00,000	...	
Other Local Remittances	3,16,130	..		6,70,000	...		2,76,000	...	
Other Departmental Accounts	1,38,401	..		5,63,89,000	...		5,01,21,000	...	
Net Receipts by Civil Treasuries from—									
Railways	14,69,58,900	...		14,81,89,000	...		15,40,85,000	...	
Posts and Telegraphs	...	...		4,09,16,000	...		...	...
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs	2,44,87,728	..		...	...		4,62,000	...	
Marine	1,08,67,970	...		59,85,000	...		59,90,000	...	
Army and Military Works	49,33,06,251	...		45,30,81,030	...		40,74,99,000	...	
Remittances between England and India—									
Remittance Account—									
Iraq drawings	2,500	2,69,82,066		...	2,42,70,000		...	2,56,00,000	
Sale of gold	...	...		...	2,00,00,000		...	...
Other transactions	7,87,49,313	6,98,01,117		1,39,74,000	5,08,30,000		50,74,000	2,91,80,000	
Remittances from India for financing Home Treasury		4,76,62,361		...	22,51,60,000		...	26,00,00,000	
Transfers through the Paper Currency Reserve	2,15,870	..		14,00,00,000	5,84,77,000		...	10,00,00,000	
TOTAL	1,58,93,68,571	14,34,45,544	1,73,28,09,115	1,73,31,34,000	37,87,37,000	2,08,18,71,000	1,48,35,07,000	11,47,30,000	1,89,82,87,000
NET			37,92,494			0			1,38,000
Balances of Provincial Governments	2,01,16,997	...	2,01,16,997	7,14,00,000	...	7,14,00,000	4,47,000	...	4,47,000
Net			6,34,730			5,03,81,000			0
TOTAL RECEIPTS	5,97,09,87,787	2,24,28,06,685		5,55,65,95,000	2,23,40,93,000		5,14,17,23,000	2,15,86,03,000	
Opening Balance	25,60,13,170	8,99,53,817		25,95,80,424	9,82,19,688		29,77,01,424	7,63,05,688	
GRAND TOTAL	6,22,70,00,957	2,33,25,60,502		5,81,61,75,424	2,33,23,12,688		5,43,94,24,424	2,23,49,08,688	

* Sterling converted into Rupees at £1 = Rs. 10.

(a) Of this amount, Rs. 17,753 represents the funds of the Gold Standard Reserve.

(b) Of this amount, Rs. 86,584 represents the funds of the Gold Standard Reserve.

DELHI,
FINANCE DEPARTMENT,
The 28th March 1924.

M. F. GAUNTERTT,
Auditor General.

Central Government, in India and in England—continued.

	ACCOUNTS, 1922-23.			REVISED ESTIMATE, 1923-24.			BUDGET ESTIMATE, 1924-25.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	R	R	R	R	R	R	R	R	R
Brought forward	4,17,39,61,686	2,17,09,72,119		4,17,41,70,000	2,12,15,16,000		4,26,71,91,000	2,14,99,03,000	
Loans and Advances by the Central Government	12,07,193		12,07,193	11,75,061		11,75,061	22,01,000		22,01,000
NET			0			0			0
Loans between Central and Provincial Governments	10,77,20,861		10,77,20,861	12,30,61,000		12,30,61,000	13,93,25,000		13,93,25,000
NET			9,59,52,697			11,32,26,000			12,72,62,000
Remittances—									
Remittances within India—									
Inland Money Orders	83,55,79,868			85,05,00,000	...		90,00,00,000	...	
Other Local Remittances	...			6,65,000	...		6,54,000	...	
Other Departmental Accounts	1,15,300			5,00,62,000	...		5,00,00,000	...	
Net Payments into Civil Treasuries by—									
Railways	13,05,33,801			16,51,69,000			15,40,83,000		
Posts and Telegraphs				4,09,16,000	...		...
Net Issues from Civil Treasuries to—									
Posts and Telegraphs	2,43,79,761			...	...		4,62,000		
Marine	1,00,68,347			59,85,000	...		59,80,000		
Army and Military Works	49,46,69,480			45,30,31,000	...		40,74,99,000		
Remittances between England and India—									
Remittance Account—									
Iraq drawings	2,63,85,360	...		2,42,70,000	...		2,56,00,000	...	
Sale of gold	...	...		2,00,00,000	...		...	...
Other transactions	10,89,16,350	4,38,80,670		3,52,29,000	2,84,72,000		2,73,78,000	64,81,000	
Remittances from India for financing Home Treasury	4,76,62,361	...		22,51,60,000	...		26,00,00,000	...	
Transfers through the Paper Currency Reserve.	2,09,912	5,458		5,84,77,000	14,00,00,000		10,00,00,000	...	
TOTAL	1,68,51,30,493	4,38,86,128	1,72,90,16,621	1,91,94,68,000	16,34,72,000	2,08,29,40,000	1,89,16,68,000	64,81,000	1,89,81,49,000
NET			0			10,69,000			0
Balances of Provincial Governments	...	1,94,82,267	1,94,82,267	...	2,10,19,000	2,10,19,000	...	3,04,70,000	3,04,70,000
NET			0			0			3,00,23,000
TOTAL DISBURSEMENTS	5,96,80,20,533	2,23,43,40,814		5,51,84,74,000	2,30,60,07,000		5,30,06,88,000	2,18,68,54,000	
Closing Balance	25,95,80,424	(b) 9,82,19,688		29,77,01,424	(b) 7,68,06,688		18,97,36,424	(b) 4,80,54,688	
GRAND TOTAL	6,22,76,00,957	2,33,25,60,502		5,81,61,75,424	2,38,23,12,688		5,43,94,24,424	2,23,49,08,688	

A. V. V. AIYAR,
Offg. Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

Abstract Statement of the Receipts and Disbursements of the Central Government in India and in England.

REVENUE AND EXPENDITURE		ACCOUNTS, 1922-23				REVISED ESTIMATE, 1923-24.		BUDGET ESTIMATE, 1924-25	
		Revenue	Expenditure	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges
		R	R	R	R	R	R	R	R
Principal Heads of the Revenue	Customs	41,31,55,502	70,20,100	41,61,75,402		39,69,60,000		41,19,59,000	
	Taxes on Income	17,07,11,170	41,5,135	17,51,75,015		18,42,47,000		17,50,78,000	
	Salt	5,2,10,112	1,51,30,147	5,1,09,975		7,27,62,000		7,59,27,000	
	Opium	3,7,92,000	1,30,10,000	3,6,61,900		1,72,21,000		2,24,52,000	
	Other Heads	2,1,00,200	6,90,050	1,65,10,210		2,11,31,000		1,71,05,000	
TOTAL		72,9,11,600	5,22,1,980	67,7,9,900	...	19,23,24,000	...	73,30,1,000	...
Commercial Services	Railways	5,2,9,470	25,1,99,217	1,21,99,229	2,94,639	6,28,00,000	5,31,000	4,58,14,000	10,38,000
	Irrigation	10,90,752	13,75,91						
	Posts and Telegraphs	1,22,29,140	70,9,506	45,30,912		72,32,000		1,18,41,000	
Debt Services	Interest	1,15,70,600	16,15,59,540		15,00,18,814		13,50,63,000		15,15,26,000
Civil Administration	Civil Administration	44,14,520	9,91,32,040		9,49,97,512		8,89,61,000		9,08,27,000
Currency, Mint and Exchange	Currency	3,57,06,720	57,11,200	2,47,91,511		2,04,05,000		2,85,98,000	
	Mint	26,91,411	15,95,525	10,95,886			1,69,000	62,000	
Civil Works	Civil Works	11,78,037	1,34,81,010		1,20,42,973		1,47,92,000		1,94,14,000
Miscellaneous (Civil) Services	Lamam Relief		80,001		80,001		12,000		14,000
	Supernumeration	28,00,510	3,00,41,100		3,31,93,900		2,83,91,000		2,74,10,000
	Miscellaneous	10,78,900	60,02,002		51,25,057	2,09,83,000			74,50,000
	Other Heads	17,19,131	91,28,097		74,09,766		82,49,000		72,50,000
Military Services	Army (Effective)	4,49,71,920	55,35,72,050		50,56,00,730		40,30,75,000		46,60,31,000
	Army (Non-effective)	34,00,970	9,51,57,494		9,00,56,021		9,00,40,000		8,88,41,000
	Marine	32,72,578	1,00,08,013		1,07,36,030		60,60,000		76,76,000
	Military Works	57,15,400	1,90,00,187		4,32,06,750		3,74,32,000		3,99,53,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments		9,22,91,080		9,22,93,608		9,04,50,000		8,99,46,000	
TOTAL		1,21,11,29,156	1,16,48,05,503	80,56,57,129	97,58,33,521	89,41,94,000	87,35,57,000	90,92,77,000	90,74,30,000
Surplus						2,06,07,000		18,47,000	
Deficit				15,01,76,392					
Surplus						2,06,07,000		18,47,000	
Deficit				15,01,76,392					
Capital Account	Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—								
	Capital contributed by Railway Companies and Indian States towards construction of State Railways		28,26,557					80,24,000	
	Construction of Irrigation Works			3,25,219			7,000		
	Construction of State Railways			18,43,42,305			23,60,64,000		80,00,00,000
	Capital outlay on Indian Postal and Telegraph Department			65,62,006			96,65,000		1,78,95,000
	Initial expenditure on new Capital at Delhi			1,84,79,432			1,82,00,000		1,47,00,000
	Payments for discharge of Debentures			68,34,021			1,04,07,000		1,44,86,000
	Redemption of Liabilities involved in the purchase of Railways								27,07,03,000
Debt, Deposits, Advances and Remittances	Permanent Debt (net)		60,22,99,053			37,21,39,000		36,85,62,000	
	Floating Debt (net)			40,61,30,000			19,46,00,000		2,13,00,000
	Unfunded Debt (net)		2,06,51,483			10,52,36,000		7,51,48,000	
	Loans and Advances by Central Government (net)		20,44,638			20,44,000		6,70,000	
	Loans between Central and Provincial Governments			9,59,52,697			11,32,26,000		12,72,62,000
	Deposits and Advances (net)		17,82,38,542			4,89,38,000		15,42,87,000	
	Remittances (net)		37,92,494				10,69,000		1,38,000
Cash Balance	Balances of Provincial Governments (net)		6,34,730			5,03,81,000			8,00,28,000
	Opening Balance		34,65,66,987			35,78,00,112		37,40,07,112	
	Closing Balance			35,78,00,112			37,40,07,112		18,67,91,112
TOTAL			1,22,60,52,184	1,22,60,52,184		85,72,45,112	85,72,45,112	98,26,60,112	98,26,60,112

M. F. GAUNTLETT,
Auditor General.

A. V. V. AIYAR,
Offg. Controller of the Currency.

A. C. McWATERS,
Secretary to the Government of India.

DELHI,

FINANCE DEPARTMENT,

1924

NOTES EXPLAINING THE DETAILS UNDER CERTAIN HEADS OF THE ESTIMATES.

The broad totals of revenue and expenditure for the last year, the current General results year and the ensuing year are as follows :—

	Actuals, 1922-23
	R
Revenue	1,31,11,14,156
Expenditure charged to Revenue	1,64,07,58
Deficit	15,01,70,302
	Revised, 1923-24.
	R
Revenue	1,31,20,04,000
Expenditure charged to Revenue	1,29,97,000
Surplus	2,00,00,000
	Budget, 1924-25.
	R
Revenue	1,30,00,00,000
Expenditure charged to Revenue	1,29,90,00,000
Surplus	8,17,000

These figures exclude all capital, debt and remittance transactions.

2. The following table compares the Revised estimates of revenue and expenditure as framed twelve months ago, and the actual accounts of the year as closed, audited and compiled by the Auditor General :— Actuals, 1922-23.

	Revenue.	Expenditure	Deficit.
	R	R	R
Revised, 1922-23	1,20,70,17,000	1,37,95,52,000	17,25,35,000
Actuals, 1922-23	1,21,41,29,158	1,31,15,55,548	15,01,70,392

The actual deficit was less than the Revised estimate by Rs. 23,58,608. There was a decrease of Rs. 1,81,98,000 in Military expenditure owing mainly to the non-utilisation of a provision of Rs. 500,000 included in the Revised estimate for payment to the War Office in respect of the Indian share of the cost of disbandment of surplus troops. A decline of Rs. 25 lakhs in Customs revenue was more than set off by an improvement in the net receipts from Railways (Rs. 1,01 lakhs).

3. The Revised estimates of ordinary revenue and expenditure for 1923-24 Revised, 1923-24. are as follows :—

	(In thousands of rupees.)
Revenue	1,29,52,41
Expenditure charged to Revenue	1,29,89,97
Deficit of ordinary revenue	37,56

A sum of Rs. 3,250,000 representing the profits from the control of enemy ships which has been lying at credit of a suspense head is, however, available for credit to revenue. Out of this windfall, a sum of Rs. 2 crores has been reserved for refund to railway companies of customs duty on stores collected from them under protest prior to the Bombay High Court's decision declaring such stores to fall within the definition of Government Stores, in the event of the appeal which has been preferred against the decision being unfavourable to Government. A credit of Rs. 25 lakhs out of the windfall has also been included in the Budget estimates for 1924-25 in order to meet the payment of *ex gratia* compensation to individuals who have suffered from enemy action during the war. The amount required for these two purposes at the rate of exchange of 1s. 4½d. adopted for the Budget for next year is Rs. 1,575,000, leaving Rs. 1,675,000 (equivalent at 1s. 4½d., the average rate of exchange for the current year, to Rs. 2,43,63 lakhs) available for credit to revenue in the current year. If account is taken of this credit, the deficit of Rs. 37,56,000 is converted into a surplus of Rs. 2,06,07,000.

4. The surplus of Rs. 18.47 lakhs shown in the Budget estimates for 1924-25 Budget, 1924-25 is arrived at after providing for salt duty at Rs. 1.4 a maund.

5. The details of certain heads of the estimates are explained in the following pages. The Railway estimates are explained in a separate memorandum.

BUDGET FOR 1924-25.

I AND 1.—CUSTOMS.

SEA CUSTOMS.	Actuals, 1920-1921.	Actuals, 1921-1922.	Actuals, 1922-1923.	1923-1924.		Budget, 1924-1925
				Budget.	Revised.	
IMPORTS.						
Special Import Duties.	R	R	R	R	R	R
1. Liquors—						
(a) Ale, Beer, Porter, Cider and other fermented liquors	8,89,000	11,44,000	13,49,000	14,30,000	13,75,000	14,40,000
(b) Spirits and Liqueurs	1,70,16,000	1,91,71,000	2,10,19,000	2,26,00,000	2,09,00,000	2,22,00,000
(c) Wines	9,01,000	12,58,000	10,78,000	12,00,000	11,40,000	12,00,000
2. Sugar, all sorts	1,09,17,000	6,50,69,000	4,40,95,000	5,00,00,000	3,85,00,000	4,55,00,000
3. Tobacco	1,31,26,000	1,01,36,000	1,51,76,000	1,60,00,000	1,65,00,000	1,75,00,000
4. Coal, coke and patent fuel	46,000	7,59,000	4,50,000	5,50,000	2,90,000	3,00,000
5. Mineral oils	77,34,000	80,97,000	1,10,69,000	1,25,00,000	1,35,00,000	1,45,00,000
6. Arms, Ammunition and Military Stores	6,15,000	7,51,000	8,27,000	9,00,000	8,10,000	8,40,000
7. Opium	8,000	2,000	2,000	3,000	4,000	3,000
8. Cotton yarn and thread	...	...	48,86,000	55,00,000	41,60,000	48,00,000
9. Cotton piecegoods	6,41,19,000	4,66,61,000	6,39,03,000	6,85,00,000	6,12,00,000	6,60,00,000
10. Matches	16,57,000	1,03,84,000	1,53,63,000	1,60,00,000	1,47,00,000	1,67,60,000
Duty at 2½ per cent.						
11. Machinery	52,67,000	1,15,95,000	63,83,000	69,00,000	58,50,000	67,00,000
12. Other articles	4,32,000	2,66,000	2,00,000	2,00,000	2,10,000	2,15,000
Duty at 10 per cent.						
13. Metals—Iron and Steel	66,90,000	67,75,000	1,84,08,000	2,00,00,000	1,71,00,000	1,80,00,000
14. Railway plant and rolling stock	33,91,000	53,32,000	1,07,02,000	1,10,00,000	64,00,000	1,30,00,000
15. Other articles	35,000	1,79,000	2,89,000	2,01,000	6,50,000	4,62,000
Duty at 15 per cent.						
16. Articles of Food and Drink (excluding sugar and vinegar)	63,69,000	83,00,000	1,23,40,000	1,45,00,000	1,27,00,000	1,40,00,000
17. Raw materials and articles mainly unmanufactured	38,23,000	42,15,000	74,71,000	68,00,000	63,50,000	71,35,000
18. Articles wholly or mainly manufactured—						
(a) Cutlery, hardware, implements and instruments	1,28,57,000	1,27,24,000	1,33,40,000	1,48,50,000	1,14,00,000	1,35,00,000
(b) Metals other than Iron and Steel	69,92,000	61,55,000	1,07,84,000	1,21,00,000	92,50,000	1,00,00,000
(c) Yarns and textile fabrics (other than cotton manufactures)	1,05,42,000	55,03,000	75,88,000	78,00,000	1,05,00,000	1,20,00,000
(d) All other articles wholly or mainly manufactured	4,30,93,000	2,71,06,000	3,78,69,000	4,00,00,000	3,70,00,000	4,00,00,000
19. Miscellaneous	72,64,000	70,75,000	52,74,000	60,00,000	52,10,000	60,00,000
Duty at 30 per cent.						
20. Motor cars and cycles	...	51,50,000	56,08,000	70,00,000	77,00,000	80,00,000
21. Silk piece-goods and other manufactures of silk	49,17,000	51,60,000	80,62,000	85,00,000	77,00,000	80,00,000
22. Pneumatic rubber tyres and tubes	...	21,85,000	32,42,000	37,50,000	31,00,000	38,00,000
23. Other articles	29,40,000	58,67,000	96,82,000	1,10,00,000	97,50,000	1,05,00,000
Government Stores.						
24. Duty on Government Stores other than Railway Stores	...	...	...	...	...	53,50,000
TOTAL IMPORTS	23,16,35,000	27,70,19,000	33,66,23,000	36,57,84,000	32,39,49,000	36,71,45,000
25. Export duties—						
(a) Hides and skins, raw	60,22,000	51,42,000	42,60,000	25,00,000	24,14,000	25,00,000
(b) Jute (raw and manufactured)	3,21,13,000	2,71,99,000	3,29,35,000	3,45,00,000	3,70,66,000	3,60,00,000
(c) Rice	60,28,000	80,45,000	1,08,06,000	1,15,00,000	1,11,00,000	1,11,00,000
(d) Tea	42,05,000	46,26,000	44,41,000	55,45,000	47,50,000	49,04,000
26. Sea Customs—Miscellaneous	18,85,000	12,67,000	11,60,000	11,74,000	11,50,000	12,00,000
27. Land Customs	14,01,000	14,60,000	20,76,000	20,33,000	20,00,000	23,00,000
28. Excise Duty on Cotton manufactures	2,30,93,000	2,19,17,000	1,87,34,000	1,88,15,000	1,50,00,000	1,75,00,000
29. Excise Duty on Motor Spirit	54,26,000	61,10,000	64,89,000	80,00,000	65,00,000	68,00,000
30. Excise Duty on Kerosene	...	...	92,32,000	90,90,000	98,00,000	98,00,000
31. Warehouse and wharf rents and Miscellaneous	71,77,000	8,46,000	4,79,000	10,00,000	5,22,000	8,88,000
TOTAL GROSS REVENUE	31,89,85,000	35,36,31,000	42,72,05,000	45,99,41,000	41,42,51,000	46,01,80,000
Deduct—Refunds	92,18,000	95,33,000	1,37,40,000	90,00,000	1,00,98,000	99,98,000
NET REVENUE	30,97,67,000	34,40,98,000	41,34,65,000	45,09,41,000	40,41,53,000	45,01,82,000
CHARGES.						
India	58,78,144	64,49,533	69,30,458	71,15,000	69,94,000	80,37,000
England	76,960	91,196	86,613	90,000	1,37,000	1,30,000
Exchange	...	46,903	44,929	45,000	62,000	56,000
TOTAL	59,58,104	65,57,632	70,62,000	72,50,000	71,93,000	82,23,000

6. The Revised estimate of Customs revenue in 1923-24 amounts to Revised 1923-24. Rs. 10,11.53 lakhs or Rs. 4,67.88 lakhs less than the Budget estimate. Most of the tariff heads show a decrease in revenue, and the largest decreases occur under sugar (Rs. 1.15 lakhs), cotton piece goods (Rs. 73 lakhs), Railway plant and rolling stock (Rs. 16 lakhs), cutlery, hardware, etc. (Rs. 1.50 lakhs), iron and steel (Rs. 29 lakhs), other metals (Rs. 25.50 lakhs), other manufactured articles (Rs. 30 lakhs), and the excise duty on cotton manufactures (Rs. 5.15 lakhs). The only heads which show a material increase in revenue are the import duty on yarns and textile fabrics other than cotton manufactures (Rs. 27 lakhs), and the export duty on jute (Rs. 25.66 lakhs).

7. The decline in revenue under sugar was the result of insufficient allowance made in the Budget for the reduction in the tariff valuation which came into force from the 1st January 1923. The revenue from railway plant and rolling stock was affected by a decision of the Bombay High Court that stores imported by Railway Companies working State lines fall within the term "Government Stores" for the purpose of the proviso to section 20 of the Sea Customs Act VIII of 1878. An appeal has been preferred to the Privy Council against the decision, but pending the result of the appeal, the stores in question are being passed free of duty.

8. The imports of other articles have generally been satisfactory, but the collections of revenue in the case of articles which are subject to an *ad valorem* duty have declined in consequence of a fall in prices. The Bombay cotton mill industry passed through adverse conditions in the current year and the realisations from the excise duty on cotton manufactures have suffered in consequence.

9. The Budget estimate of Customs revenue in 1924-25 is placed at Budget, 1924-25. Rs. 15,182 lakhs or Rs. 4,60.29 lakhs more than the Revised estimate for the current year. Section 20 of the Sea Customs Act has been amended so as to make Government stores liable to customs duties with effect from the 1st April 1924. Credit has therefore been taken in the Budget figures for next year for Rs. 1,63.50 lakhs on account of duty payable in respect of stores imported by Government inclusive of stores for state-worked and company-managed railways. The details of the credit of Rs. 1,63.50 lakhs are as follows:—

- (i) Rs. 25 lakhs for Military Stores;
- (ii) Rs. 1.10 lakhs for stores imported by State and Company-managed railways for Capital as well as Revenue purposes;
- (iii) Rs. 6.50 lakhs for stores imported by other Departments of the Central Government; and
- (iv) Rs. 22 lakhs for stores imported by Provincial Governments.

10. Items (i) and (iii) are set off by corresponding provision for expenditure in the estimates of the Departments concerned, and item (iv) by provision for assignments to be made to Provincial Governments to compensate them for the duty which they will pay to the Central Government in 1924-25. Item (ii) also involves corresponding expenditure by Railways partly on revenue and partly on capital account. In view of the financial objections to taking a credit to revenue by charge to capital, it is proposed to earmark for the avoidance of debt 11 lakhs representing the charge to capital for state-worked railways, the similar question in the case of company-managed railways being left for subsequent consideration.

11. Apart from the duty on Government stores inclusive of Railway stores, the Budget estimate for 1924-25 exceeds the Revised estimate for the current year by Rs. 3,40.79 lakhs. Allowance has been made for an improvement in trade conditions generally and under sugar for the increased tariff valuation which came into force from January 1924. The minor changes in the tariff included in the Finance Bill have no importance from the revenue point of view.

II AND 2—TAXES ON INCOME.

REVENUE.

	Actuals, 1920-1921.	Actuals, 1921-1922.	Actuals, 1922-1923.	1923-1924.		Budget, 1924-1925
				Budget.	Revised.	
LICENS PROLITS DUTY.	R	R	R	R	R	R
1. India	1,01,205	...	...	...	...	...
2. N.-W. Frontier	...	30,755	...	...	32,000	...
3. Madras	32,32,284	8,24,387	3,171	...	...	...
4. Bombay	61,55,826	11,21,569	99,878	...	68,000	...
5. Bengal	69,56,880	5,60,200	46,980	...	4,000	...
6. United Provinces	7,25,654	28,323	...	...	1,000	...
7. Punjab	1,23,648	51,453	...	...	13,000	...
8. Burma	2,45,277	...	...	...	...	...
9. Bihar and Orissa	30,726	13,881	...	...	...	...
10. Central Provinces	...	...	...	...	...	...
11. Assam	1,406	...	...	...	...	...
Total	1,88,15,906	26,30,578	1,50,033	..	1,18,000	..
SUPER-TAX						
1. India	1,92,232	2,61,293	15,056	1,75,000	1,75,000	1,90,000
2. N.-W. Frontier	10,744	90,959	24,466	15,000	1,17,000	45,000
3. Madras	18,22,720	54,87,980	31,43,753	30,00,000	32,00,000	27,00,000
4. Bombay	1,88,02,642	3,80,06,807	3,58,31,830	2,35,00,000	1,99,01,000	1,39,58,000
5. Bengal	3,36,91,035	3,03,31,571	1,90,62,581	1,90,00,000	3,07,93,000	2,72,26,000
6. United Provinces	17,83,590	38,61,128	27,78,916	22,00,000	19,19,000	1,61,000
7. Punjab	9,33,808	10,00,091	1,24,217	10,23,000	10,80,000	8,12,000
8. Burma	47,15,451	56,21,222	59,08,474	60,00,000	51,00,000	70,45,000
9. Bihar and Orissa	9,07,194	10,63,860	16,49,093	12,28,000	12,38,000	21,51,000
10. Central Provinces	6,24,361	1,12,108	25,70,834	17,00,000	15,26,000	12,85,000
11. Assam	94,658	13,713	6,037	1,00,000	80,000	80,000
Total	6,35,90,235	8,76,61,852	7,23,15,293	6,38,57,000	6,54,93,000	5,71,54,000
INCOME-TAX.						
1. India General—						
Civil	18,99,806	25,78,782	31,41,107	29,63,000	31,72,000	31,50,000
Non-Civil Departments	53,15,471	62,43,377	62,01,112	63,14,000	59,26,000	58,76,000
2. Delhi	12,79,749	13,60,514	8,27,430	10,86,000	8,00,000	8,00,000
3. Baluchistan	42,282	48,153	85,617	62,000	83,000	83,000
4. North-West Frontier	5,24,026	5,22,787	9,86,860	7,17,000	11,62,000	11,79,000
5. Madras	1,39,94,480	1,51,91,114	1,32,11,878	1,50,01,000	1,55,00,000	1,47,00,000
6. Bombay	1,29,40,821	5,54,14,576	5,81,71,938	4,21,22,000	4,10,78,000	3,11,81,000
7. Bengal	4,33,27,376	4,36,23,020	3,19,68,701	2,90,00,000	4,17,28,000	4,13,08,000
8. United Provinces	70,57,656	93,67,981	84,47,341	83,11,000	69,47,000	71,53,000
9. Punjab	52,25,172	50,31,329	76,36,881	67,29,000	77,46,000	71,12,000
10. Burma	1,13,71,272	1,29,71,221	1,23,74,691	1,33,00,000	1,17,71,000	1,30,86,000
11. Bihar and Orissa	26,02,359	32,48,551	46,24,977	41,50,000	42,60,000	46,83,000
12. Central Provinces	29,01,463	41,60,587	45,52,645	35,96,000	40,50,000	38,10,000
13. Assam	9,80,404	8,56,404	9,81,540	12,24,000	13,24,000	15,00,000
Total	13,95,22,337	16,08,59,871	15,31,13,013	13,45,78,000	14,55,45,000	13,64,66,000
Gross Revenue from Taxes on income	22,19,28,478	25,11,51,791	22,55,78,344	19,81,35,000	21,11,61,000	19,36,20,000
Deduct—Refunds	1,27,54,156	2,93,96,968	4,41,83,859	66,71,000	1,90,50,000	99,62,000
NET REVENUE	20,91,74,322	22,17,54,823	18,13,94,485	19,17,64,000	19,21,11,000	18,36,58,000
Deduct—Share of Provincial Governments in Income-tax revenue under the Devolution Rules		(a) 3,43,41,399	14,53,335	13,00,000	13,66,000	14,61,000
Revenue of the Central Government		18,74,13,424	17,93,41,150	19,04,64,000	19,07,45,000	18,21,97,000

(a) This is the amount which, under rule 15 of the Devolution Rules as it was in force in 1921-22, was credited to Provincial Governments as their share of income-tax revenue; they made, however, assignments to the Central Government amounting to Rs. 14,50,933 in consideration of the allocation of income-tax revenue; the net revenue which the Provincial Governments received in that year on account of income-tax thus amounted to Rs. 28,60,456.

EXPENDITURE

	Actuals 1920-21			1923-24		Budget 1924-25
		Actuals 1921-22	Actuals 1922-23	Budget	Revised	
	R	R	R	R	R	R
1. India General . . .	13,881	51,467	6,81,252	10,00,000	1,02,000	20,000
2. Delhi . . .	571			15,000	16,000	28,000
3. Baluchistan . . .			6,202	11,000	11,000	13,000
4. North-West Frontier . . .	1,325	22,511	53,001	62,000	62,000	60,000
5. Madras . . .	3,48,722	3,30,127	1,77,052	6,86,000	15,00,000	10,08,000
6. Bombay . . .	5,84,130	4,97,915	3,45,000	11,79,000	17,11,000	17,31,000
7. Bengal . . .	3,11,468	2,87,409	2,21,789	7,87,000	6,10,000	9,20,000
8. United Provinces . . .	3,72,119	3,11,041	5,17,722	1,19,000	5,87,000	6,97,000
9. Punjab . . .	2,07,811	3,01,785	1,77,579	5,06,000	5,55,000	5,51,000
10. Burma . . .	1,11,245	1,11,931	2,19,491	3,87,000	1,71,000	6,58,000
11. Bihar and Orissa . . .	64,257	75,269	2,20,719	2,29,000	2,20,000	2,93,000
12. Central Provinces . . .	52,480	1,53,508	3,00,038	37,000	3,20,000	3,90,000
13. Assam . . .	5,295	5,327	13,510	12,000	1,15,000	90,000
Total . . .	21,86,350	22,26,828	13,91,778	62,87,000	61,16,000	64,53,000
England . . .	19,720	15,947	10,196	61,000	30,000	48,000
Exchange . . .		8,262	21,213	31,000	16,000	20,000
TOTAL EXPENDITURE R	22,06,070	22,50,972	14,56,186	63,79,000	61,45,000	65,19,000
Distributed as follows—						
Payment to Provincial Governments . . .			6,37,071	9,00,000	19,50,000	8,67,000
Direct expenditure of Central Government . . .	22,06,070	22,50,972	13,91,005	54,79,000	45,10,000	57,12,000

REVENUE.

(i) Excess Profits Duty.

12. The Revised estimate for the current year (Rs. 1.18 lakh) represent Revised 1923-24 the collection of arrears thrown forward from previous years.

(ii) Super-tax and Income-tax.

13. The following table shows the distribution by provinces of the net revenue of the Central Government from super-tax and income-tax after deducting refunds and the share payable to Provincial Governments under the Devolution Rules :—

(In lakhs of rupees).

	Actuals, 1922-23.	Budget, 1923-24.	Revised, 1923-24.	Budget, 1924-25.
	R	R	R	R
Madras . . .	1.32	1.97	1.67	1.66
Bombay . . .	7.95	6.80	5.26	4.35
Bengal . . .	3.25	4.77	6.97	6.50
United Provinces . . .	6.5	1.02	84	84
Punjab . . .	70	72	71	72
Burma . . .	1.55	1.75	1.37	1.82
Bihar and Orissa . . .	56	46	50	62
Central Provinces . . .	58	52	52	48
Assam . . .	8	12	11	12
Minor Administrations and Non-Civil Departments . . .	1.11	1.12	1.11	1.11
Total . . .	17.68	19.05	19.06	18.22

14. The total Revised estimate of net Revenue for 1923-24 closely follows Revised, 1923-24 the Budget, a decline of Rs. 1.31 lakhs in Bombay due to the depressed condition of the cotton mill industry and smaller decreases in Madras (Rs. 30 lakhs), Burma (Rs. 38 lakhs) and the United Provinces (Rs. 18 lakhs) being set off by an increase in Bengal (Rs. 20 lakhs).

Budget 1924/25

15. The total Budget estimate for 1924-25 falls short of the Revised estimate for the current year by Rs 1 lakhs. The collections in Bombay are expected to be less by Rs 1 lakhs owing to the depressed condition of the mill industry, and in Bengal by Rs 17 lakhs owing mainly to the current year's revenue including arrears; on the other hand, increases are expected in Burma (Rs 45 lakhs) and Bihar and Orissa (Rs 12 lakhs) from the collection of arrears thrown forward from the current year.

III AND 3—SALT

	1923-1924					
	Actuals, 1920-1921	Actuals, 1921-1922	Actuals, 1922-1923.	Budget.	Revised.	Budget, 1924-25
	₹	₹	₹	₹	₹	₹
REVENUE						
Northern India (a)	1,45,37'61	1,59,25'028	2,06,11'43	5,12,57'000	1,93,69,4'0	2,22,11,000
Madras (a)	1,1,12'175	1,39,10,520	1,55,77'7'4	2,5,35'00	2,10,30'0	2,27,000
Bombay (a)	2,13,17'311	1,25,87,5'6	1,52,50'167	2,75,31'000	2,21,2,000	1,77,10'000
Bengal (b)	1,40,10'21	1,51,42,9'65	1,54,6'214	2,79,41,000	1,91,1,1'0	2,50,49,000
Burma (b)	31,64'12	33,52'411	21,50'278	55,01'0'0	1,51,1'00	51,10'000
Bihar and Orissa	1'03	2'082	520	1,000	1'000	1'00
Assam	770					
GROSS REVENUE	1,76,45'30	6,41,19'800	7,31,1'2	11,53,00'000	5,87,63'0'0	9,12,11'00
Deduct—Refunds	57,65'4'	9,81'152	19,00'180	8,00'000	15,36,000	7,55,000
NET REVENUE	1,18,79,513	6,34,37,84	6,82,10,112	11,75,00'000	5,70,27'000	9,04,62,000
CHARGES						
Cost of salt purchased by Government	17,55'146	21,16,621	17,70,320	23,62,000	22,73,000	17,84,000
Assignments and compensations	38,55,408	30,34,990	40,09,267	34,11,000	37,48,000	37,20,030
Other charges	75,05,377	97,34,977	92,62,067	90,93,000	51,65,000	59,42,000
Total India	1,51,45,931	1,55,30,588	1,50,47,651	1,53,66,000	1,41,66,000	1,44,16,000
England	61,810	74,296	57,471	56,000	54,000	2,000
Exchange		38,212	31,022	28,000	25,000	27,000
TOTAL	1,32,07,771	1,56,49,096	1,51,36,147	1,54,50,000	1,42,65,000	1,46,35,000
Total issues Mds.	4,66,71,000	4,78,31,000	5,44,00,000	5,30,00,000	3,80,00,000	5,00,00,000

(a) Chiefly excise on local manufacture

(b) Chiefly duty on imported salt.

REVENUE.

16. The Revised estimate of net revenue falls short of the Budget by Revised, 1923-24. ₹3,04.73 lakhs; the decrease occurs in all provinces except Burma, but is largest in Northern India (₹1,19.20 lakhs). About 36 lakhs of maunds were taken by traders in January and February 1923 in excess of the normal issue in these months in anticipation of an increase in duty from the 1st March 1923. In expectation of a reduction in duty from the 1st March 1924, the traders, especially in Northern India, have reduced their stocks as low as possible and restricted purchases to the minimum. The probable issues in the current year are accordingly not expected to exceed 3,80 lakhs of maunds, against a normal issue at the present time of about 4,95 lakhs of maunds. A further minor cause for the decrease in revenue is an expansion in the quantity issued on credit in Bengal in consequence of the increase in duty.

17. With effect from the 1st March 1924, the duty on salt imported into, Budget, 1924-25 and produced in, India has been reduced from ₹2-8 to ₹1-4 a maund. It is expected that there will be a rapid replenishment of stocks on account of the reduction of duty and the total issues of salt in 1924-25 are taken at 5,60 lakhs of maunds. Including sale proceeds of Government salt and other miscellaneous receipts and allowing for the operation of the credit system of sales in Bengal and Madras, the Budget estimate of net revenue in 1924-25 has been placed at ₹9,01.62 lakhs.

BUDGET FOR 1924-25.

IV AND 4—OPIUM.

	Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24.		Budget, 1924-25
				Budget.	Revised.	
	R	Rs	R	R	R	R
INDIA.						
Revenue—						
Sale of provision and medical opium	2,98,71,00	2,36,87,908	2,93,09,150	2,89,60,000	3,23,00,000	2,29,46,000
Excise opium and other revenue	51,70,19	70,11,251	85,80,042	1,03,17,000	1,07,50,000	1,04,15,000
GROSS REVENUE	3,50,41,234	3,07,25,192	3,78,92,402	3,92,77,000	4,30,50,000	3,33,61,000
Deduct—Refunds	625	391	424	1,000	1,000	1,000
NET REVENUE	3,50,40,611	3,07,24,798	3,78,92,000	3,91,76,000	4,29,49,000	3,32,60,000
Expenditure—						
Purchase of Opium (including payments to Cultivators)	1,03,82,503	1,61,14,979	1,87,34,623	1,69,19,000	2,31,58,000	1,89,40,000
Other Charge	19,22,133	18,10,228	18,07,280	16,23,000	17,85,000	15,71,000
TOTAL INDIA	1,23,04,636	1,79,25,207	1,86,01,903	1,85,42,000	2,49,43,000	2,05,11,000
ENGLAND	70,550	52,605	38,462	59,000	69,000	75,000
Exchange		27,055	20,278	37,000	31,000	32,000
TOTAL	1,23,75,186	1,80,04,867	1,86,60,643	1,86,31,000	2,58,43,000	2,09,08,000

REVENUE.

(i) *Provision and Medical Opium.*Revised, 1923-24.

18. The Budget estimate for 1923-24 provided for a revenue of Rs2,89.66 lakhs from the sale of about 7,450 chests of opium for consumption outside India. Of this quantity 2,500 chests were to be disposed of at the monthly auctions held at Calcutta, and the balance was to be supplied to the Foreign Governments with which agreements have been entered into for the direct supply of opium at fixed prices, the countries which at present take the largest supplies in this manner being the Straits Settlements, the Netherlands Indies and Siam. Owing to a slightly better demand for opium in the Far East than was anticipated in the Budget, 2,700 chests have so far been sold by auction and 250 chests are on offer for the sale in March. The average price realised during the year will amount to Rs4,520 a chest, and the proceeds from auction sales are estimated at Rs1,33.35 lakhs, or Rs20.85 lakhs higher than the Budget. Inclusive of direct supplies which will bring in Rs12.55 lakhs more than the Budget, owing to increased demands by some of the Foreign Governments, it is now estimated that 8,274 chests will be disposed of in the current year and that they will fetch a revenue Rs3,23.06 lakhs.

Budget, 1924-25.

19. The Budget estimate provides for a revenue of Rs3,29.46 lakhs from the sale of provision opium, or Rs6.40 lakhs more than the Revised estimate for the current year.

(ii) *Excise Opium and other revenue.*Revised, 1923-24.Budget, 1924-25.

20. The Revised estimate for 1923-24 is more than the Budget by Rs4.12 lakhs owing mainly to an increase in consumption in the Punjab and to a special receipt of Rs3.04 lakhs in England for which the Budget did not provide. The Budget estimate for 1924-25 is less than the current year's Revised by Rs3.44 lakhs owing to the absence of the special receipt referred to above. Only the amount charged to Local Governments on account of the cost of

production of opium consumed in India is credited under this head, the difference between the actual price of issue and the cost of production forming an item of excise revenue creditable to Provincial revenues in the case of the major provinces

EXPENDITURE.

21. The Revised estimate for 1923-24 exceeds the Budget by Rs 70.12 lakhs, *Revised, 1923-24*
 owing to additional payments to cultivators in the United Provinces and in
 the Central India States in consequence of an increase in the outturn of the
 last crop. The Budget estimate for 1924-25 provides for payments to cultivators *Budget 1924-25.*
 based on a normal outturn and is Rs 49.35 lakhs less than the current year's
 Revised

XV, 17, 18 AND 5C—POSTS AND TELEGRAPHS

	Actuals 1920-21.	Actuals, 1921-22	Actuals 1922-23.	1923-24		Budget, 1924-25
				Budget	Revised.	
	L	R	R	R	R	R
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
GROSS RECEIPTS.						
INDIA.						
1. Postage and Message Revenue	7,03,41,350	7,36,78,560	7,80,10,127	8,19,99,000	8,08,81,000	8,22,54,000
2. Commission on money orders	1,58,76,585	1,65,90,185	1,08,78,587	1,08,00,000	1,06,00,000	1,09,00,000
3. Other Receipts	57,12,913	68,22,784	75,18,176	73,00,000	76,90,000	83,00,000
TOTAL GROSS RECEIPTS	9,14,61,148	9,05,91,829	9,67,03,290	10,30,99,000	9,86,79,000	10,14,54,000
WORKING EXPENSES						
INDIA.						
1. Establishment charges	97,70,800	6,50,29,704	6,53,31,311	6,34,05,000	6,40,17,000	6,52,65,000
2. Stationery and Printing	31,46,051	12,56,111	20,15,749	27,21,000	21,75,000	21,29,000
3. Conveyance of mail	1,05,51,774	1,09,92,055	1,10,80,863	1,06,83,000	1,07,69,000	1,26,84,000
4. Maintenance of Telegraph Lines	39,90,662	45,75,418	54,52,201	45,62,000	54,10,000	64,01,000
5. Miscellaneous	11,05,551	12,96,098	17,27,722	12,78,000	35,85,000	4,46,000
6. Superannuation allowances and Pensions					30,00,000	30,00,000
TOTAL INDIA	7,80,61,841	8,61,77,936	8,55,57,849	8,29,49,000	9,89,56,000	8,99,25,000
ENGLAND.						
1. Contribution to Eastern mail subsidy		...	..	..	2,20,000	2,20,000
2. Cost of Stamps		..	..	...	13,10,000	8,80,000
3. Other items	2,66,500	1,81,813	2,56,929	2,77,000	3,49,000	3,13,000
TOTAL ENGLAND	2,66,500	1,81,813	2,56,929	2,77,000	18,79,000	14,13,000
EXCHANGE		92,857	1,37,745	1,38,000	8,54,000	6,12,000
TOTAL WORKING EXPENSES	7,83,31,341	9,64,52,086	8,59,52,523	8,33,64,000	9,16,89,000	9,19,50,000
NET RECEIPTS—INDIAN POSTAL AND TELEGRAPH DEPARTMENT	1,61,30,107	41,89,743	1,07,50,767	1,97,35,000	69,90,000	35,04,000

	Actuals, 1921-22	Actuals, 1922-23.	1923-24		Budget, 1924-25
			Budget	Revised.	
EXPENDITURE CHARGED TO REVENUE	L	R	R	L	R
INDIAN POSTAL AND TELEGRAPH DEPARTMENT—					
Revenue Account—					
Initial					
Inter-connection	50,910.5	50,000.2	65,280.00	65,000.00	71,000.00
CAPITAL ACCOUNT (CHARGED TO REVENUE)—					
India	—56,195.20	—3,73,785	—10,21,000	—5,12,000	—1,12,51,000
England	95,65,571	38,11,552	25,00,000	15,00,000	17,70,000
Exchange	50,31,237	20,37,521	12,50,000	6,52,000	7,66,000
TOTAL	1,12,49,955	21,78,558	—11,74,000	—46,80,000	—57,15,000
TOTAL EXPENDITURE CHARGED TO REVENUE	1,69,31,003	50,94,590	56,54,000	17,30,000	—16,45,000
CAPITAL OUTLAY ON POSTS AND TELEGRAPHS (NOT CHARGED TO REVENUE)					
INDIAN POSTAL AND TELEGRAPH DEPARTMENT—					
1. Telegraph Lines	48,92,124	57,70,951	61,00,000	60,44,000	1,09,50,000
2. Telegraph Buildings	11,57,739	—11,76,435	12,30,000	11,50,000	23,70,000
3. Apparatus and Plant, etc.	21,04,151	19,67,460	21,00,000	24,71,000	20,53,000
4. Share of Establishment, etc., transferred from working expenses	...	...	...	...	19,92,000
TOTAL	81,61,617	65,62,006	91,30,000	96,65,000	1,73,95,000

	Actuals, 1920-21.	Actuals, 1921-22	Actuals, 1922-23	1923-24		Budget, 1924-25
				Budget	Revised	
INDO-EUROPEAN TELEGRAPH DEPARTMENT	R	R	R	R	R	R
GROSS RECEIPTS—						
INDIA.						
1. Message Revenue	16,28,207	27,68,190	23,26,002	21,00,000	25,25,000	34,00,000
2. Other Receipts	21,461	—5,169	—1,02,411	—2,90,000	20,000	25,000
TOTAL INDIA	16,52,668	27,63,030	22,23,591	21,04,000	25,45,000	34,25,000
ENGLAND.						
1. Message Revenue	15,00,695	14,44,588	14,87,892	10,00,000	20,000	20,000
2. Other Receipts	1,500	4,045	84,646	3,20,000	15,80,000	8,00,000
TOTAL ENGLAND	15,02,195	14,48,633	15,72,538	13,20,000	16,00,000	8,20,000
Exchange	...	6,99,509	8,15,053	6,60,000	7,27,000	3,55,000
TOTAL GROSS RECEIPTS	31,54,863	49,11,172	46,11,187	40,84,000	48,72,000	46,00,000
WORKING EXPENSES—						
INDIA AND ENGLAND	26,29,510	33,78,752	30,98,450	29,58,000	33,24,000	33,33,000
Exchange	...	19,385	34,056	29,000	44,000	30,000
NET RECEIPTS—INDO-EUROPEAN TELEGRAPH DEPARTMENT	5,25,353	15,13,085	14,78,681	10,97,000	15,04,000	12,37,000

	Actuals, 1921-22.	Actuals, 1922-23.	1923-24.		Budget, 1924-25.
			Budget.	Revised.	
CAPITAL ACCOUNT CHARGED TO REVENUE.	R	R	R	R	R
INDO-EUROPEAN TELEGRAPH DEPARTMENT—					
India	—6,42,757	—5,87,380	—6,55,000	—3,33,000	—3,92,000
England	2,06,787	1,26,414	2,25,000	—72,000	6,53,000
Exchange	1,05,464	64,892	1,12,000	—38,000	2,84,000
TOTAL CAPITAL ACCOUNT CHARGED TO REVENUE.	—3,30,506	—3,96,054	—3,19,000	—4,68,000	5,45,000

INDIAN POSTAL AND TELEGRAPH DEPARTMENT.

(a) *Gross Receipts.**Revised, 1923-24.*

22. The Revised Estimate for 1923-24 falls short of the Budget Estimate by Rs. 41.20 lakhs. The latter estimate was, however, based on the Revised of the previous year, which included erroneous adjustments of Rs. 22 lakhs provisionally made under this head. The estimate for the current year was therefore vitiated to this extent and the real deficit in the Revised estimate may be taken at Rs. 22 lakhs. This deficit is due mainly to continued trade depression, which is particularly shown in the falling off in the receipts for foreign telegrams. Diversion of traffic owing to the re-opening of the Indo—route to Europe and of the Aden—Colombo cable to the Far East is also responsible for a decline in receipts. Further, as a result of general retrenchment, there is a drop of Rs. 4 lakhs in receipts under service stamps. The total decrease would have been greater but for larger realisations (Rs. 5.7 lakhs) on account of rent of telephones.

Budget, 1924-25.

23. The estimate of revenue for 1924-25 provides for an increase of Rs. 27.75 lakhs over the Revised estimate for the current year. Allowance is made for normal growth and in expectation of improved trade conditions next year. Increased revenue will be received from the revised rates for insurance of postal articles in the inland post, from the enhancement of fees for purpose of Customs formalities on foreign parcels, and from anticipated increases in the charges made to Railway and Canal Administrations for the maintenance of their lines.

(b) *Working Expenses.**Revised, 1923-24.*

24. The Budget for the current year was framed with reference to the recommendations of the Retrenchment Committee and was actually Rs. 64 lakhs less than the Revised estimate for 1922-23. The Revised estimate for the current year shows an increase of Rs. 83.25 lakhs which is mainly due to the transfer to this head of Rs. 72 lakhs in pursuance of the proposals for the commercialisation of the accounts. This adjustment includes Rs. 30 lakhs for the pensions of the staff hitherto charged under another head, Rs. 31 lakhs for the purchase of the stock of stamps and postal stationery lying with the Stamp Department, and an additional Rs. 11 lakhs due to certain extra charges connected with the annual indent for stamps, which were not hitherto charged to the Department. The remainder of the excess is due to essential expenditure on the maintenance of lines damaged by cyclones in Madras and Burma, and also to the resumption of payments for the Eastern Mail Service on a greatly improved basis. It was also necessary to make extra allotments for conveyance of mails owing to insufficient provision.

Budget, 1924-25.

25. The Budget for the ensuing year exceeds the Revised estimate of the current year by a little over Rs. 2½ lakhs. The main additional charges are:

- (1) annual increments in the pay of the staff (Rs. 13 lakhs),
- (2) increased charges made by Railways for the haulage of mail vans (Rs. 12½ lakhs),
- (3) increase in mail subsidies (Rs. 6¼ lakhs),
- (4) additional provision for maintenance of lines (Rs. 10 lakhs), necessitated by protracted retrenchments in recent years. Part of this increase is due to the revenue portion of capital outlay on replacement of lines,
- (5) provision for maintenance of post office buildings omitted in the current year as a measure of retrenchment (Rs. 5 lakhs). Delay in repairs only results in more rapid deterioration and heavier expenditure in the end. On the other hand, there are material reductions under "Miscellaneous" and "Purchase of stamps in England", while credit is taken for the first time for services rendered by the Postal Department to other Departments of Government, the main items being Rs. 19½ lakhs for savings bank work and Rs. 2½ lakhs for work in connection with cash certificates.

(c) Interest on Debt.

26. The Revised estimate for the current year is Rs. 4.68 lakhs less than the Budget owing to a revision of the rate of interest charged. The increase of over Rs. 7 lakhs in the estimate for 1924-25 is due to the heavier capital outlay anticipated for that year.

(d) Capital account charged to Revenue.

27. *India*.—The expenditure in India under this head is mainly on account of post office buildings and purchase of stores in India. So far as stores are concerned, this is a suspense head and, when stores are issued from accumulated stock either to capital or revenue works or are sold to other Departments, this head naturally receives credit for their value as it has borne the expenditure in the past. The *minus* figure which generally appears under this head is due to the fact that the value of stores issued from the stock balance is greater than the outlay on fresh stores and on buildings. The credit has increased in the current year from Rs. 19.24 lakhs in the Budget to Rs. 68.12 lakhs in the Revised, due to reduced expenditure on stores in India (Rs. 35 lakhs) and to increased credits on account of larger issues of stores (Rs. 12 lakhs). For 1924-25, the credit is increased to Rs. 11.25 lakhs mainly due to anticipated larger issue of stores on an expanded programme of works and to the transfer to the head 'Capital not charged to revenue' of the share of establishment charges debitable to Capital works. A provision of Rs. 3.70 lakhs has been made for the first time under this head for customs duty on imported stores.

28. *England*.—The expenditure under this head in the Revised is lower than the Budget by Rs. 15½ lakhs owing to economies in the purchase of stores. Provision for 1924-25 shows an increase of about Rs. 3 lakhs only on account of purchase of special stores.

(e) Capital outlay not charged to Revenue.

29. The Revised estimate exceeds the Budget Estimate of 1923-24 by Rs. 2.35 lakhs only, mainly on account of new works in Delhi. The Budget for 1924-25 is approximately Rs. 1.74 lakhs, of which Rs. 20 lakhs represents the cost of establishment engaged on capital works now debited for the first time to this head. The increased provision for telegraph buildings includes Rs. 7 lakhs for works in New Delhi. Under Telegraph Lines larger provision is made for the increased requirements of Railway and Canal Administrations.

INDO-EUROPEAN TELEGRAPH DEPARTMENT.

(a) Gross Receipts.

30. The Revised estimate indicates an improvement of Rs. 7.88 lakhs mainly due to increased receipts on the common purse account. The Budget for 1924-25 is less than the Revised for the current year by Rs. 2.72 lakhs and takes into account the full effect of diversion of traffic by the Indo-route.

(b) Working expenses.

31. The Revised estimate shows an increase of Rs. 3.8 lakhs over the budget for the current year, of which approximately Rs. 2 lakhs is due to the inclusion under this head of accumulated arrears of expenditure on the maintenance of the Meshed-Seistan line. Provision is also made for the first time for pensions of the staff. The Budget for 1924-25 shows no material variation from the Revised.

(c) Capital outlay charged to Revenue

32. The *minus* figures under this head are due to the fact that actual capital outlay is less than deductions made from the capital account for payments received on account of cost of construction of certain lines in Persia and for amortization of the value of certain lines, which may be returned to the Persian Government after lapse of the agreement in 1915. Increased expenditure provided for 1924-1925 is mainly due to the provision of Rs. 7.18 lakhs for the purchase of a new cable ship to replace the existing ship which has been condemned as unseaworthy.

XVI.—INTEREST RECEIPTS

	Actuals, 1920-21	Actuals, 1921-22	Actuals, 1922-23.	1923-24		Budget, 1924-25
				Budget	Revised.	
INDIA.	R	R	R	R	R	R
1. Interest on loans and advances by the Central Government.	35,97,716	35,21,554	35,55,304	34,35,000	34,42,000	31,07,000
2. Interest on overdrawn Capital of Railway Companies in India	36,277	37,107	54,490	37,000	38,000	38,000
3. Interest on advances to Railway Companies charged to Capital . . .	1,24,560	4,51,974	3,32,283	10,60,000	10,09,000	14,95,000
4. Interest on Securities of Railway Companies' Provident Funds . . .	27,71,767	30,95,271	44,00,462	35,29,000	35,29,000	34,26,000
5. Gain from purchase of Government of India securities for Depreciation Fund at less than nominal value	1,06,192	2,05,763	91,488	1,13,000	4,00,000 91,000	9,00,000 91,000
6. Miscellaneous items .						
TOTAL INDIA	66,36,512	73,11,669	89,34,027	81,74,000	85,09,000	93,60,000
ENGLAND.						
1. Interest realised from investment of Cash Balances, etc. .	21,03,110	25,02,143	17,40,666	6,93,000	39,18,000	14,05,000
2. Assets of Gold Standard Reserve in excess of £40 millions.	...	.	.	1,05,83,000	1,25,21,000	1,42,04,000
TOTAL	21,03,110	25,02,143	17,40,666	1,12,81,000	1,64,42,000	1,56,09,000
EXCHANGE	...	12,86,888	8,96,003	56,41,000	74,74,000	67,56,000
TOTAL RECEIPTS	87,39,622	1,11,00,700	1,15,70,696	2,50,96,000	3,24,25,000	3,17,25,000
Loans by the Central Government outstanding on 31st March .	9,06,72,250	9,10,19,482	8,89,77,144	8,84,53,485	8,69,33,144	8,62,63,144

India.

33. When securities of the 5 per cent. War Loan 1929-47 and the 5 per cent. Income-tax Free Loan 1945-55 are purchased out of depreciation funds and cancelled, the full nominal value of the securities has hitherto been charged off as Permanent Debt discharged by *per contra* credit to a miscellaneous deposit head. With effect from the current year, only the purchase price of the securities will be credited to the deposit head, the difference between this and the nominal price being credited as revenue. The current year's Revised and next year's Budget estimates accordingly include R4 lakhs and R9 lakhs respectively on this account.

*England.**Revised, 1923-24.*

34. Owing to the earlier issue of the sterling loan during the current year, an increase in the amount of the loan, and earlier remittances from India, the cash balances of the Secretary of State available for investment have been higher than anticipated in the Budget. There has also been an appreciation in the rate of discount on British treasury bills. The increase in the assets of the Gold Standard Reserve in excess of £40 millions is due to the cause last mentioned and to the purchase of certain short-term securities

which offer a higher yield than treasury bills. The Home treasury balances are expected to be smaller in 1924-25, but the interest on securities held in the Gold Standard Reserve will be larger, the net result being a decrease of ₹15.51 lakhs in the Budget for that year as compared with the current year's Revised. As in the current year, it is proposed to credit to revenue next year also the assets of the Gold Standard Reserve in excess of £40 millions, and the Budget for 1924-25 includes a credit of ₹1,42.04 lakhs on this account, exclusive of exchange, or a total credit inclusive of exchange of ₹2,03.52 lakhs.

Budget, 1924-25.

BUDGET FOR 1924-25

19 AND 20 — INTEREST EXPENDITURE AND 21 — REDUCTION OR AVOIDANCE OF DEBT.

	Actuals, 1920-21	Actuals, 1921-22	Actuals, 1922-23	1923-24		Budget, 1924-25
				Budget	Revised	
	₹	₹	₹	₹	₹	₹
Interest on Debt						
1. India	17,55,14,392	19,05,17,404	17,60,53,81	20,20,30,000	17,22,00,000	20,00,00,000
2. England	11,00,300	7,23,92,711	8,65,97,270	11,01,95,000	10,21,16,000	10,45,00,000
3. Exchange		2,70,80,000	1,55,60,137	5,02,48,000	1,66,80,000	4,54,00,000
Total	21,40,70,652	29,09,00,290	30,80,20,520	35,86,73,000	31,10,05,000	35,02,90,000
Debt - Amount to be charged						
(a) Railways						
(i) India	5,50,51,408	9,22,00,832	9,80,68,192	12,16,05,000	11,05,44,000	12,41,63,000
(ii) England	1,77,18,700	4,21,61,280	4,21,25,620	4,11,23,000	1,34,87,000	4,59,97,000
(iii) Exchange		2,16,95,936	2,36,50,557	2,00,62,000	1,97,67,000	1,99,09,000
Total	7,27,70,108	15,60,58,048	16,38,44,369	18,27,90,000	17,37,98,000	19,00,69,000
(b) Irrigation						
(i) India	9,25,348	12,18,191	12,18,852	10,88,000	12,33,000	12,41,000
(ii) England	51,000					
Total	9,76,348	12,18,191	12,18,852	10,88,000	12,33,000	12,41,000
(c) Posts and Telegraphs						
(i) India		56,81,010	59,16,002	68,28,000	63,60,000	71,00,000
(ii) England						
(iii) Exchange						
(d) Provincial Governments	2,81,76,443	2,50,41,800	3,03,00,692	4,00,15,000	3,71,90,000	4,46,08,000
Total deduction	15,19,50,999	18,90,99,341	20,07,80,255	23,57,21,000	21,86,51,000	24,30,18,000
Interest on Ordinary Debt	9,00,17,753	11,09,00,946	10,80,37,601	11,79,52,000	12,27,24,000	10,72,72,000
Interest on other Obligations—						
1. India—						
On Savings Bank Balances	1,73,17,939	2,17,99,453	2,21,36,830	2,43,13,000	2,10,78,000	2,66,82,000
Other items	42,31,496	42,98,044	84,82,701	77,94,000	67,76,000	96,24,000
Total	2,15,49,435	2,60,97,497	3,06,19,531	3,21,07,000	3,08,54,000	3,63,06,000
2. England			51,300	30,000	76,000	70,000
3. Exchange			25,231	15,000	85,000	30,000
TOTAL	2,15,49,435	2,60,97,497	3,06,95,062	3,21,61,000	3,09,65,000	3,64,06,000
Reduction or Avoidance of Debt—						
1. India	73,00,000	1,54,00,000	1,54,00,000	1,54,00,000	73,61,000	99,31,000
2. England	50,00,000	50,00,000	50,00,000	44,29,000	44,26,000	2,06,88,000
3. Exchange		25,71,571	24,55,311	22,15,000	20,12,000	89,54,000
TOTAL	1,23,00,000	2,29,71,571	2,28,55,311	2,20,44,000	1,37,99,000	3,95,73,000
TOTAL	12,30,67,148	15,99,70,014	16,15,89,540	17,21,57,000	16,71,88,000	18,32,51,000
Debt outstanding on 31st March—						
Sterling Debt	£ 191,329,245	£ 205,128,482	£ 242,621,497	£ 251,820,282	£ 260,789,797	£ 279,475,297
Rupce Debt—						
Permanent Debt—	₹	₹	₹	₹	₹	₹
New Loan				25,00,00,000		20,00,00,000
6 per cent Bonds	29,35,34,700	78,48,75,900	1,25,35,96,000	1,25,35,50,900	1,25,35,98,700	1,25,35,98,700
5½ per cent War Bonds	58,67,77,411	38,54,40,950	30,74,91,125	29,31,35,400	29,34,58,125	29,19,58,125
5 per cent debt	15,25,51,700	43,40,61,175	41,57,00,975	39,80,20,175	65,13,40,875	68,79,47,375
4 per cent "	17,24,87,200	1,10,87,200	14,81,19,900	11,94,01,200	12,09,19,900	11,87,19,900
3½ per cent "	1,19,12,88,891	1,19,18,45,533	1,19,23,13,257	1,19,28,27,588	1,19,35,10,257	1,19,41,10,257
3 per cent "	6,55,80,050	6,49,05,450	6,43,56,250	6,37,56,450	6,29,56,250	6,22,56,250
Other debt	1,00,13,500	1,83,10,938	1,67,42,138	1,00,13,488	1,31,42,138	1,20,42,138
Treasury Bills—						
Issued to public	48,67,10,000	53,96,70,000	21,58,90,000	15,55,70,000	2,13,00,000	
Issued to Paper Currency Reserve	61,20,00,000	57,90,00,000	49,65,00,000	49,65,00,000	49,65,00,000	49,65,00,000
Post Office Savings Bank deposits	22,86,36,172	22,26,32,595	23,00,8,556	24,99,29,895	24,76,93,556	26,48,93,556
Post Office Cash Certificates	4,77,78,750	4,34,35,524	3,12,88,795	2,65,85,524	3,38,88,795	9,88,88,795
Provident Funds and other Unfunded Debt	27,31,48,731	32,99,24,328	36,21,52,987	40,10,08,328	39,97,29,987	44,27,80,987

INTEREST ON ORDINARY DEBT

35. The gross charges for interest on debt in the Revised estimate for 1923-24 show a saving of Rs. 1,20,68 lakhs as compared with the Budget of Rs. 73.99 lakhs if allowance is made for the interest due to the adoption of a rate of exchange of 1s. 1½d. per rupee against 1s. 1d. in the Budget. There has been a substantial saving on the Budget provision for discount on treasury bills as, owing to the improvement in the ways and means position, it has been possible to reduce the amount of bills outstanding with the public from Rs. 21.50 crores on the 31st March 1923 to Rs. 2.12 crores on the 31st March 1924. There has also been a saving in the charges for new loans owing to the favourable rate at which the current year's rupee loan was issued. On the other hand, there has been a small excess in the charges for new sterling loans owing to a loan of £15 millions having been raised in London against £15 millions budgeted for.

36. In the Budget for 1924-25 provision has been made for a full year's interest on the rupee and sterling loans raised in the current year. A sum of Rs. 50 lakhs has been set aside for the service of a new rupee loan and Rs. 30 lakhs for discount on replacement of the Indian treasury bills held in the Paper Currency Reserve. It is not anticipated that it will be necessary during 1924-25 either to sell treasury bills to the public or to raise a sterling loan and the Budget does not therefore include any provision on these accounts. Provision has been entered in England for the dividends due on the undischarged balance of India's share of the British war debt.

37. Owing to the current year's rupee loan having been issued at a discount the actual receipts fall short of the debt created by Rs. 1.72 lakhs. On the analogy of the procedure followed in connection with the sterling loans raised during the last three years, the charge to revenue in respect of this difference will be spread over the period of currency of the loans by the establishment of a discount sinking fund. The first payments under this procedure will fall due during 1924-25 and a provision of Rs. 10 lakhs is included on this account in the Budget for that year.

38. The amount of interest transferred to the accounts of the commercial departments depends, firstly, on the capital expenditure; secondly, on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of Railways; and, thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above or other purpose. The present procedure is to charge to railways, posts and telegraphs and irrigation works, in respect of that portion of the debt which has not been incurred specifically for these works, interest on capital expenditure incurred to the end of 1916-17 at the rate of interest specified in the Devolution Rules and interest on capital outlay in subsequent years at the average rate paid on borrowings in that period. The variation in the amount of interest to be transferred to railways and posts and telegraphs in the Revised estimates of the current year as compared with the Budget figures is the result of fluctuations in the rates of interest and in the capital outlay on which the interest is calculated. The increase in the Budget estimate of 1924-25 is almost wholly due to the progress of the capital expenditure.

39. The decrease in recoveries from Provincial Governments in the Revised estimates for the current year follows on a reduction in the loans actually taken by them. The Budget estimate allows for a full year's interest on the loans granted to them by the Central Government during the current year.

INTEREST ON OTHER OBLIGATIONS.

40. The encashment of Post Office Cash Certificates has not been on the scale anticipated and the payment of bonus will therefore be Rs. 6 lakhs less than the Budget for the current year. There will also be a decrease of Rs. 1.08 lakhs in interest on Post Office Savings Bank deposits and of about Rs. 7 lakhs in the interest on provident fund balances. The above savings will

Budget, 1924-25

be partly set off by an increase of ₹1.87 lakhs in the interest payable to Provincial Governments on the balances of their Famine Insurance Funds. The Budget for 1924-25 includes increased provision for interest on larger balances of provident fund and other accounts, for payments of bonus on Post Office Cash Certificates (₹2 lakhs), and for interest on the Famine Insurance Fund balances of Provincial Governments (₹4.41 lakhs).

41. In pursuance of the policy of commercialization of the accounts of the Posts and Telegraphs Department, credit has to be afforded to that Department for work done by it in connection with savings banks and cash certificates. The Budget for 1921-25 accordingly provides for payments of ₹19.75 lakhs and ₹2.58 lakhs respectively on the above accounts.

REDUCTION OR AVOIDANCE OF DEBT.

Revised, 1923-24

42. Owing to the improved state of the Government securities market it has been unnecessary to use any portion of the additional provision of ₹80 lakhs made since 1921-22 for the purpose of supporting the two long-term 5 per cent. rupee loans. The Revised estimate thus includes only the obligatory depreciation funds instituted in respect of these loans and the sinking fund charge relating to the liability assumed by India in respect of the British War debt.

Budget, 1924-25

43. The Budget for 1924-25 includes an additional provision of ₹14.70 lakhs for the depreciation fund required for the further issue of the 5 per cent. tax-free rupee loan in 1923-24 and a new provision of ₹11 lakhs for avoidance of debt, being the equivalent of the customs duty collected from State Railways on stores imported by them for capital purposes (*vide* paragraph 10). In pursuance of the scheme of Debt Redemption, general revenues will bear the charges hitherto borne by railway revenues on account of railway sinking funds and the capital portion of the annuities in purchase of railways. The Budget estimate for 1924-25 includes £345,100 and £1,259,000 respectively for these charges.

44. Reckoning exchange at 1s. 4d., the total provision for reduction or avoidance of debt in the Budget for 1924-25 amounts to ₹4,09.63 lakhs, or ₹3,98.63 lakhs if the provision for avoidance of debt in respect of the customs duty on state railway capital stores is excluded. The latter sum is distributed as follows:—

		(₹ lakhs).
Depreciation Fund for 5 per cent. long-term rupees loans		88 31
Annual instalment in repayment of War contribution	£164,700	
Railway sinking funds and capital portion of Railway Annuities	£1,604,100	
	£2,068,800	= 3,10.32
		<u>3,98.63</u>

29.—POLITICAL.

	Actuals, 1920-1921	Actuals, 1921-1922	Actuals, 1922-1923	1923-1924		Budget, 1924-1925
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
India General	2,07,60,998	19,61,412	76,19,921	65,79,000	65,71,000	67,47,000
Delhi	580	520	700	1,000	1,000	1,000
Baluchistan	38,56,704	37,50,391	40,28,553	40,64,000	41,45,000	42,06,000
North-West Frontier	45,91,492	60,95,749	78,62,254	99,31,000	91,23,000	98,92,000
Madras	1,33,889	1,81,301	1,41,798	1,64,000	1,63,000	1,56,000
Bombay	12,87,515	12,51,243	10,91,996	12,25,000	10,62,000	13,02,000
Bengal	34,916	21,905	22,915	17,000	22,000	28,000
United Provinces	1,78,333	1,93,651	1,99,448	2,01,000	2,91,000	2,58,000
Punjab	6,53,398	6,69,248	6,88,191	6,54,000	8,30,000	8,07,000
Burma	14,99,710	62,33,962	59,54,261	59,00,000	57,16,000	60,74,000
Bihar and Orissa	81,560	90,230	83,307	93,000	95,000	95,000
Central Provinces	44,307	40,045	30,694	1,27,000	38,000	43,000
Assam	3,84,090	17,80,389	17,56,938	18,24,000	23,53,000	19,64,000
Total	3,33,07,498	2,13,20,046	2,94,71,976	3,07,83,000	3,04,10,000	3,15,73,000
England	9,80,370	8,20,122	5,86,237	4,72,000	— 3,89,000	4,67,000
Exchange	...	4,21,801	3,10,466	2,36,000	— 1,77,000	2,02,000
Total	3,42,87,868	2,25,61,969	3,03,68,679	3,14,91,000	2,98,44,000	3,22,42,000

45. There is a saving of Rs 11 lakhs in the North-West Frontier Province owing to the full strength of the additional units and companies for which provision was made in the Budget not having been entertained. The saving in England is due to recoveries found to be due to Indian revenues on an examination of the past accounts of diplomatic and consular expenditure. The Budget for 1924-25 provides for the full sanctioned strength of establishments.

Revised, 1923-24.

Budget, 1924-25.

XXVII AND 38—CURRENCY

	Actuals, 1921-22.	Actuals, 1922-23.	1923-4		Budget, 1924-25
			Budget.	Revised.	
	R	R	R	R	R
REVENUE.					
India	3,60,90,264	3,12,08,339	2,59,40,000	2,73,37,000	2,97,41,000
England	40,69,048	14,70,102	3,30,000	11,57,000	31,98,000
Exchange	20,93,075	8,30,279	1,65,000	6,63,000	15,10,000
TOTAL REVENUE	4,22,52,387	3,35,08,720	2,64,35,000	2,91,57,000	3,44,49,000
EXPENDITURE.					
India	27,81,437	27,56,163	30,79,000	30,80,000	29,08,000
England	41,51,075	39,18,333	43,00,000	41,06,000	21,97,000
Exchange	21,36,500	20,79,700	21,50,000	18,66,000	9,51,000
TOTAL EXPENDITURE	90,75,012	87,54,206	95,29,000	90,52,000	60,56,000

REVENUE

*India.*Budget, 1924-25.

46. The increase of R24.04 lakhs in revenue in the Budget for 1924-25 as compared with the Revised estimate for the current year is due mainly to the interest on the larger loans made from the Paper Currency Reserve against internal bills of exchange. It is proposed, as in the current year, to credit to revenue the interest on investments of the Paper Currency Reserve during the next year also.

England.

47. The increase of £112,700 in the Revised estimate for the current year as compared with the Budget and the further increase of £203,100 in the Budget for 1924-25 relate to the interest on British Treasury bills to the value of £14 millions purchased for the Paper Currency Reserve in the latter half of the current year—see paragraph 76.

EXPENDITURE.

Budget, 1924-25.

48. The large decrease of £190,900 in the Budget estimate for 1924-25 as compared with the Revised estimate for the current year is due to the contemplated discontinuance of the printing of the one rupee note.

EXCHANGE

49. Since the 1st April 1920, the accounts have been prepared on the basis of the rate of 2s. per rupee for the conversion of rupee transactions into sterling and *vice versa*. The sterling value of the rupee has however stood at a lower level in recent years, the average rate for the current year being expected to work out at 1s. 4½d. In consequence of this variation from the 2s. rate, large sums have to be brought to account as credits or debits on account of exchange in respect of transactions involving remittances of funds to and from the Secretary of State.

50. The following table shows the debits for exchange in respect of remittance and allied transactions which are expected to be brought to account in the current and next years, the estimates for next year being based on the assumption of an average rate of exchange of 1s. 4¾d. during the year :—

	(In lakhs of rupees.)	
	1923-24.	1924-25.
(i) Remittances from India for financing the Home Treasury	12,89	11,25
(ii) Bills and telegraphic transfers drawn by Mesopotamia for payment in India against recoveries in England	1,11	1,11
(iii) Sterling money order and other miscellaneous transactions	93	1,01
TOTAL	14,93	13,37

51. The procedure for the allocation of exchange gains and losses is as follows. All exchange gains and losses arising in respect of remittance transactions are recorded in the first instance under a suspense head; the portion attributable to the revenue and capital accounts in respect of outlay incurred in England is calculated every month on the basis of the average of the daily telegraphic transfer rates from Calcutta on London and transferred to these accounts, and the portion relating to expenditure of Provincial Governments is similarly debited to the Provincial Governments concerned; and it is considered with reference to the circumstances of each year whether the balance remaining under the suspense head after these transfers are made should be written off to revenue or kept in suspense against the possibility of opposite results in succeeding years.

52. Excluding a book adjustment in connection with the liabilities to be taken over by the Secretary of State on the expiry of the contract with the East Indian Railway Company, the following table shows the amounts chargeable to the revenue, capital and other heads during the current and next years on account of losses from exchange and the balance remaining under the suspense head after such allocation :—

	(In lakhs of rupees.)	
	1923-24.	1924-25.
Transferred to—		
Capital heads (Railways and Delhi)	5,26	5,22
Provincial Governments	95	1,32
Revenue account (net as detailed in statements A. and B.)	12,04	12,23
Total transfers	18,25	18,77
Appropriation of loss to revenue and capital in excess of actual loss on remittances	3,32	5,40
Net credit under suspense head for two years together	8,72	

53. Taking into account a credit of Rs. 5,47 lakhs which remained outstanding under the suspense head at the end of 1922-23, it is expected that there will be an outstanding credit balance of Rs. 8,79 lakhs at the end of 1923-24 awaiting clearance in subsequent years. The estimates for 1924-25 are subject to variation with reference to the actual remittance programme of the year.

XXXV AND 47—MISCELLANEOUS.

	Actuals, 1921-22.	Actuals, 1922-23.	1923-24.		Budget, 1924-25.
			Budget.	Revised.	
REVENUE.	₹	₹	₹	₹	₹
India	(a) 5,87,31,804	5,88,047	3,64,000	—1,28,000	5,03,000
England	62,56,334	7,03,508	5,14,000	1,96,38,000	20,29,000
Exchange	32,17,721	3,85,430	2,57,000	89,26,000	8,78,000
TOTAL REVENUE .	6,82,05,859	16,76,985	11,35,000	2,84,36,000	34,10,000
EXPENDITURE.					
India	69,07,930	48,14,104	57,89,000	51,24,000	75,50,000
England	22,09,759	12,98,060	13,98,000	16,01,000	23,10,000
Exchange	11,36,510	6,89,908	6,99,000	7,28,000	10,00,000
TOTAL EXPENDITURE .	1,02,54,199	68,02,072	78,86,000	74,53,000	1,08,60,000

(a) Includes ₹5,68,91,517 on account of "freight tax". It was replaced from 1922-23 by increased railway rates.

REVENUE.

Revised, 1923-24.

54. The Revised estimate for 1923-24 in England includes a credit of £1,675,000 equivalent at 1s. 4½d. to ₹2,43·63 lakhs out of the windfall of £3¼ million from the profits from the control of enemy ships—see paragraph 4; as well as a further credit of £257,000 (equivalent at 1s. 4½d. to 37 lakhs) on account of the profit from the sale of £2 millions of gold from the Paper Currency Reserve against payment in sterling in England.

Budget, 1924-25.

55. The Budget estimate for 1924-25 in England includes a credit of £175,000 out of the windfall mentioned above, but it is set off by a provision of 25 lakhs on the Indian side of the expenditure estimates for payment of *ex gratia* compensation to private individuals who suffered from enemy action during the war.

XXXVI AND 48.—ARMY.

	Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23	1923-24		1924-25, Budget.
				Budget.	Revised.	
EXPENDITURE	R	R	R	R	R	R
India—						
Part A—Standing Army.						
Effective Services.						
Maintenance of the Standing Army		31,54,57,826	30,29,54,305	31,30,55,530	29,11,48,000	28,40,46,320
Cost of Educational, etc., establish- ments and Working expenses of Hospitals, Depôts, etc.	67,53,52,602	11,86,56,841	9,40,68,632	8,72,92,700	9,24,52,000	8,27,19,750
Army Headquarters, Staff of Com- mands, etc.		2,50,64,010	2,14,89,704	2,02,32,720	2,04,03,000	2,05,19,510
Stock Account		7,32,55,982	2,98,64,230	3,11,41,500	3,54,99,000	1,47,88,490
Special Services		8,40,35,980	5,45,62,360	1,42,11,580	2,16,41,000	57,94,730
Miscellaneous Charges		1,00,57,648	1,94,78,050	1,85,64,970	1,38,75,000	1,83,86,130
Unadjusted Expenditure	35,45,549	15,80,802	—21,84,020	..	..	..
TOTAL—EFFECTIVE	R 67,88,98,151	48,24,47,115	46,01,74,801	42,22,66,000	40,35,20,000	39,67,28,000
Non-EFFECTIVE SERVICES— Non-effective charges	R 2,48,11,966	8,65,55,901	5,92,75,452	5,48,27,000	5,64,97,000	5,38,86,000
Exchange on Home expenditure	5,45,96,910	5,96,05,751	..	..	..	..
Part B.—Auxiliary and Territorial Forces—Effective	R ..	69,40,941	95,45,770	1,07,54,000	1,01,87,000	1,11,95,000
Part C.—Royal Air Force—Effective	R ..	71,28,591	1,10,55,114	1,34,54,000	1,32,55,000	1,29,97,000
Force	R ..	..	..	..	62,000	5,000
Non-effective	R ..	71,28,591	1,10,55,114	1,34,54,000	1,38,20,000	1,30,02,000
TOTAL INDIA { Effective	R 73,34,95,061	55,61,22,428	48,07,75,685	44,64,74,000	42,69,65,000	42,09,20,000
{ Non-effective	R 2,48,11,966	8,65,55,901	5,92,75,452	5,48,27,000	5,65,59,000	5,38,91,000
	R 75,83,07,027	64,26,78,329	54,00,51,137	50,13,01,000	48,35,24,000	47,48,11,000
EXPENDITURE.						
England—	£	£	£	£	£	£ *
Part A—Standing Army.						
Effective Services.						
Maintenance of the standing Army	3,223,355	4,051,609	3,196,815	2,937,500	2,973,500	2,694,500
Cost of Educational, etc., establishments and working expenses of Hospitals, Depôts, etc.	165,179	669,788	235,000	191,700	252,600	196,500
Army Headquarters, Staff of Commands, etc.	..	2,508	51,168	51,000	42,000	42,000
Stock account	2,395,847	2,011,176	1,813,415	1,441,300	1,160,500	1,575,900
Special services	899,104	211,184	453,622	415,000	800,000	1,050,000
Miscellaneous charges	1,049,752	930,082	740,124	633,500	728,800	638,000
TOTAL—EFFECTIVE	£ 7,738,237	7,906,347	6,490,144	5,670,000	5,957,400	6,196,900
Non-EFFECTIVE SERVICES— Non-effective charges	£ 3,186,145	3,336,836	3,422,486	3,563,000	3,624,800	3,748,200
Part C —Royal Air Force—(Effective) . . . . .	..	346,183	788,271	486,500	570,600	454,800
TOTAL ENGLAND	£ { 10,919,382	11,539,863	10,700,901	9,719,500	10,152,800	10,399,900
	R { 10,91,93,820	11,58,93,855	10,70,09,013	9,71,95,000	10,15,28,000	10,39,99,000
TOTAL—EXPENDITURE { Effective	R 81,08,27,436	63,88,47,725	55,35,59,841	50,80,39,000	49,22,45,000	48,74,37,000
{ Non-effective	R 5,68,78,411	6,99,24,259	9,35,00,309	9,04,57,000	9,28,07,000	9,13,75,000
	R 86,77,00,847	70,85,71,984	64,70,60,150	59,84,96,000	58,50,52,000	57,88,10,000
RECEIPTS.						
India { Effective	R 5,26,17,669	4,81,98,444	3,74,90,398	2,11,55,000	2,53,50,000	1,78,21,000
{ Non-effective	R 7,01,705	9,98,678	18,75,008	15,96,000	15,49,000	14,47,000
TOTAL	R 5,33,19,374	4,91,87,122	3,93,65,396	2,27,51,000	2,68,99,000	1,92,68,000
England { Effective	£ 364,860	2,323,538	900,750	397,800	508,200	467,000
{ Non-effective	£ 31,54,950	1,04,37,770	74,81,527	27,88,000	88,20,000	35,85,000
TOTAL	£ 4,93,710	1,27,97,609	15,25,970	11,95,000	12,12,000	10,85,000
TOTAL—RECEIPTS { Effective	R 5,57,72,419	5,88,31,214	4,49,71,920	2,39,38,000	2,91,70,000	2,14,06,000
{ Non-effective	R 11,95,415	1,37,91,287	34,00,973	27,91,000	27,61,000	25,32,000
TOTAL	R 5,69,68,034	7,24,22,501	4,83,72,893	2,67,29,000	3,19,31,000	2,39,38,000
TOTAL—NET { India	R 70,49,87,653	54,84,91,207	50,06,85,741	47,85,50,000	45,66,25,000	45,55,43,000
{ England	R 10,55,45,160	9,26,58,276	9,80,01,516	9,32,17,000	9,64,96,000	9,93,29,000
EXPENDITURE { Effective	R 75,50,54,817	58,00,16,511	50,85,87,257	48,41,01,000	46,30,75,000	46,50,31,000
{ Non-effective	R 5,54,77,996	5,61,32,972	9,00,99,326	8,76,66,000	9,00,46,000	8,88,41,000
TOTAL	R 81,05,32,813	63,61,49,483	59,86,87,257	57,17,67,000	55,31,21,000	55,48,72,000

NOTE.—Exchange on Home Charges and receipts (i.e. difference between sterling figures converted at £1=Rs. 15 and at £1=Rs. 10) for 1920-21 has been added to the Indian figures.

56. The net Army expenditure in 1923-24 is now estimated at Revised, 1923-24,
Rs. 55,31.21 lakhs against a corresponding Budget provision of Rs. 57,17.67
akhs. The reduction of Rs. 1,86.46 lakhs is made up of a decrease of compared with
Budget, 1923-24.

R2,19·25 lakhs in expenditure in India and an increase of R32·79 lakhs in expenditure in England.

India.

57. The decrease of R2,19·25 lakhs in India is the net result of several variations up and down, the more important of which are given below :—

(Lakhs of rupees.)

Decrease.

(i) Savings due to shortages, and reductions, in authorised establishments of fighting and ancillary services	1,20
(ii) Reduction of British Cavalry and Artillery units which had effect during a portion of the year	28
(iii) Fall in prices of foodstuffs	20
(iv) Savings in the provision for proficiency pay of British soldiers, due to fewer recipients	35
(v) Increase in credits from consumption or disposal of surplus stores	60
(vi) Savings in the provision for diets for sick patients in hospitals, owing to reduction in the number of constantly sick	18
(vii) Economy in charges of hired transport	7
(viii) Lapse of the provision for National Health Insurance contribution for British soldiers, the expenditure being incurred by the Secretary of State in England	9
(ix) Lapse in the grant for the Auxiliary and Territorial Forces, the budgeted establishments for which have not been fully worked up to	5
(x) Savings due to shortage in the authorised establishments of the Royal Air Force	4
(xi) Savings in the provision for loss by exchange on sterling expenditure in England, owing to rise in exchange	27
	<hr/> 3,33

Increase.

(i) Larger expenditure in Waziristan owing to retention of additional establishments etc. for a longer period	31
(ii) Charges on account of surplus officers of the Indian Army	30
(iii) Increase in non-effective charges	30
(iv) Increase in effective pay charges of officers, due to a reduction in the number of officers on long leave consequent on the gradual return of normal conditions in regard to leave	12
(v) Arrear charges	10
	<hr/> 1,13
Net decrease	<hr/> 2,20

England.

58. The principal items contributing to the increase of Rs. 32·79 lakhs in England are :—

(Lakhs of rupees.)
(1£ = Rs. 10).

Increase.

(i) Increase in expenditure connected with the demobilization of surplus officers of the Indian Army (As no settlement has yet been arrived at with His Majesty's Government in regard to their share of the expenditure, the whole of the expenditure is for the present being charged to Indian revenues)	39
(ii) Increase in non-effective charges	6
(iii) Provision for National Health Insurance contribution for British soldiers, a transfer from the Indian Estimates	6
	<hr/> 51

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Decrease.

(i) Receipt from the War Office in connection with the reduction in establishment of British troops	7
(ii) Smaller expenditure on Furlough allowances of officers of the Indian Army	6
(iii) Smaller outlay on purchase of stores	5
	<hr/> 18
Net increase	<hr/> 33

59. Of the sum of R60.25 crores allotted in the Budget for 1924-25 to meet the net expenditure on Military Services, R55,18.72 lakhs will be available for expenditure under the "Army" head, made up of R45,55.13 lakhs for expenditure in India and R9,93.29 lakhs in England. The former figure includes R4.30 lakhs on account of Exchange on net expenditure in England. The English expenditure includes £800,000 for the retirement of surplus officers of the Indian Army and £250,000 for the payment to the War Office of the balance of their claim in regard to exchange concession on war gratuities of British officers and soldiers.

60. As compared with the Budget for 1923-24, there is a decrease of R1,68.95 lakhs made up of a decrease of R2,30.07 lakhs in India and an increase of R61.12 lakhs in England. *Budget, 1924-25,*
compared with
Budget, 1923-24.

61. As compared with the Revised estimate for 1923-24, there is an increase of R17.51 lakhs made up of a decrease of R10.82 lakhs in India and an increase of R28.33 lakhs in England. *Budget, 1924-25,*
compared with
Revised, 1923-24.

XXXVII AND 49—MARINE.

		Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24.		Budget, 1924-25.
					Budget.	Revised.	
EXPENDITURE.							
India	R	1,11,87,620	1,31,11,067	1,13,49,218	71,46,000	72,69,000	36,76,000
England	£	573,488	406,556	264,940	249,000	259,600	249,200
	R	57,34,883	40,65,559	26,49,400	24,90,000	25,96,000	24,92,000
Total—Expenditure	R	1,69,22,503	1,71,76,626	1,39,98,618	96,36,000	98,65,000	61,68,000
RECEIPTS.							
India	R	79,56,768	55,91,868	32,72,535	21,29,000	29,99,000	14,92,000
England	£	...	58,379	...	...	...	...
	R	...	5,83,777	...	...	...	...
Total—Receipts	R	79,56,768	56,50,247	32,72,535	21,29,000	30,00,000	14,92,000
TOTAL—NET EXPENDI- TURE.	India	R	32,80,852	75,19,199	80,76,680	50,17,000	42,70,000
	England	R	57,34,883	35,31,772	26,49,400	24,90,000	25,96,000
	Total	R	89,65,735	1,10,50,971	1,07,26,080	75,07,000	68,66,000

NOTE.—Exchange on Home charges (i.e., difference between sterling figures converted at £1 = Rs. 15 and at £1 = Rs. 10) for 1920-21 has been added to expenditure in India.

*Revised, 1923-24,
compared with
Budget, 1923-24.*

62. The reduction in net expenditure of R6.41 lakhs in 1923-24 is mainly due to receipts from the sale of surplus stores, vessels and launches and from hire of certain trawlers to the Bombay Port Trust.

*Budget, 1924-25,
compared with
Budget, 1923-24,
and
Revised, 1923-24*

63. The Budget for 1924-25 has been fixed at R76.76 lakhs, and is R1.69 lakhs more than the Budget for 1923-24 and R8.10 lakhs more than the Revised estimate for the year. The excesses result from an anticipated fall in receipts.

XXXVIII AND 50—MILITARY WORKS.

			Actuals, 1920-21	Actuals, 1921-22.	Actuals, 1922-23.	1923-24.		1924-25, Budget.
						Budget.	Revised.	
EXPENDITURE.								
India	.	R	5,47,28,975	5,18,30,288	4,74,71,301	4,18,50,000	4,35,95,000	4,15,60,000
England	.	£	127,255	121,914	152,889	50,500	86,000	47,800
		R	12,72,559	12,19,442	15,28,886	5,05,000	8,60,000	4,78,000
TOTAL		R	5,60,01,534	5,30,49,730	4,90,00,187	4,23,55,000	4,44,55,000	4,20,38,000
RECEIPTS.								
India	.	R	16,86,464	21,45,676	57,33,434	16,29,000	70,23,000	20,86,000
TOTAL— NET EX- PENDITURE	India	R	5,30,42,511	4,98,84,612	4,17,37,867	4,02,21,000	3,65,72,000	3,94,74,000
	England	R	12,72,559	12,19,442	15,28,886	5,05,000	8,60,000	4,78,000
	TOTAL	R	5,43,15,070	5,09,04,054	4,32,66,753	4,07,26,000	3,74,32,000	3,99,52,000

Note.—Exchange on Home charges (i.e., difference between sterling figures converted at £1 = R15 and at £1 = R10) for 1920-21 has been added to Expenditure in India.

*Revised, 1923-24,
compared with
Budget, 1923-24.*

64. The decrease of R32.94 lakhs in net expenditure is made up of (1) an abnormal credit (R41 lakhs) from sale proceeds of buildings constructed during the war which have hitherto been held in deposit, (2) other receipts by sale of surplus buildings, etc. (R13 lakhs), and (3) an increase in expenditure on works on the frontier, etc. (R22 lakhs).

*Budget, 1924-25,
compared with
Budget, 1923-24.*

65. Of the net grant of R60.25 crores for military services for 1924-25 it is proposed to allot R3,99.52 lakhs to Military Works Services. This provision includes about R30 lakhs for special expenditure in Waziristan.

*Budget, 1924-25,
compared with
Budget and
Revised, 1923-24.*

66. The Budget for 1924-25 is less than the Budget estimate for 1923-24 by R7.74 lakhs and more than the Revised estimate for 1923-24 by R25.20 lakhs.

MILITARY SERVICES: SUMMARY.

		Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24.		Budget, 1921-25.
					Budget.	Revised.	
EXPENDITURE		Rs	Rs	Rs.	Rs	Rs	Rs
India	R	82,42,23,622	65,76,19,681	59,88,71,656	55,02,97,000	53,43,88,000	52,30,47,000
England	£	11,340,125	12,117,866	11,118,730	10,019,000	10,498,400	10,696,900
	R	11,62,01,259	12,11,78,656	11,11,87,299	10,01,90,000	10,49,84,000	10,69,69,000
Total Expenditure	R	94,04,24,881	77,87,98,340	71,00,58,955	65,04,87,000	63,93,72,000	63,00,16,000
RECEIPTS							
India	R	6,29,62,606	5,69,24,666	4,83,71,368	2,65,09,000	3,69,21,000	2,28,46,000
England	£	364,866	2,376,917	960,750	397,800	503,200	467,000
	R	36,46,660	2,37,69,166	90,07,497	39,78,000	50,32,000	46,70,000
Total Receipts	R	6,66,11,266	8,06,93,832	5,73,78,865	3,04,87,000	4,19,53,000	2,75,16,000
NET EXPEN- DITURE	India	R	76,12,61,018	60,06,95,018	55,05,00,288	52,37,88,000	49,74,07,000
	England	R	11,25,52,599	9,74,09,490	10,21,79,802	9,62,12,000	9,99,52,000
	Total	R	87,38,13,615	69,81,04,508	65,26,80,090	62,00,00,000	59,74,19,000

NOTE.—Exchange on Home charges and receipts (i.e., difference between sterling figures converted at £1=Rs. 15 and at £1=Rs. 10) for 1920-21 has been added to the Indian figures

67. In the Budget estimate for 1923-24, a grant of Rs. 62 crores was allotted for net expenditure on military services, inclusive of sterling expenditure in England converted at £1=Rs. 15. This figure was made up as follows:—

	Lakhs of rupees.
(1) For special expenditure in Waziristan	1,69.50
(2) For retirement of surplus officers of the Indian Army	62.25
(3) For established charges of the Army, etc. (net)	61,93.25
(4) Deduct—Credit from consumption or disposal of surplus stocks of stores	2,25.00
	<u>62,00.00</u>

68. The Revised estimate of net expenditure is less than the Budget provision by about 226 lakhs. Of this reduction, about Rs. 46 lakhs represents saving on Exchange obtained from the conversion of sterling expenditure into rupees at 16½d. the rupee. Apart from this saving, the reduction in net expenditure amounts to 180 lakhs and is due wholly to shortages and reductions in authorised establishments of fighting and ancillary services, inclusive of reductions in British Cavalry and Artillery, and to economies in various directions. Other important variations from Budget anticipation are:—(1) an increase of about 75 lakhs in the credits from consumption or disposal of surplus stores of various classes; (2) a special credit of 41 lakhs on account of sale-proceeds of temporary buildings constructed during the war; (3) an increase of 88 lakhs in charges connected with the demobilisation of surplus officers of the Indian Army; and (4) an increase of 31 lakhs in the special expenditure in Waziristan.

Budget, 1924-25

69. A grant of Rs 60.25 crores has been allotted for net expenditure on Military Services in 1924-25, inclusive of sterling expenditure in England converted at 16½d. the rupee. It is made up as follows:—

	Lakhs of rupees
(1) For special expenditure in Waziristan	30
(2) For retirement of surplus officers and personnel and other special terminal charges	1,55
(3) For established charges of the Army, etc. (<i>net</i>)	58,40
	<hr/> 60,25 <hr/>

Budget, 1924-25,
compared with
Budget and
Revised, 1923-24.

The provision under (3) includes Rs 25 lakhs for payment of customs duty.

70. The proposed grant for net expenditure on Military Services in 1924-25 is less than the Budget for 1923-24 by Rs 1.75 lakhs, but more than the Revised estimate for 1923-24 by Rs 50.81 lakhs.

WAYS AND MEANS.

HOME TREASURY.

71. The bulk of the payments made in England on account of the Government of India consist normally of expenditure chargeable to the Indian revenues; and if such payments represented the only transactions, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India. The capital outlay on the construction of railways, however, necessitates heavy borrowing and a large portion of the money required has, when practicable, been raised in England, either direct or through the agency of Companies. Operations connected with the Gold Standard and Paper Currency Reserves, and with the replacement of one particular form or item of direct or indirect debt by another further largely swell the receipts and charges of the Home treasury without affecting ordinarily the general Ways and Means programme. Recoveries are also being effected by the Secretary of State against the drawings of the Iraq administration on India, and to a smaller extent against disbursements made in India on behalf of His Majesty's Government. These recoveries represent in effect remittances from India to finance the Home treasury and reduce the amount of direct remittances which would otherwise be necessary.

72. The following is a summary of the transactions appearing in the Budget and Revised estimates of the Home Treasury for 1923-24, and in the Budget estimate of 1924-25:—

	Budget, 1923-24.	Revised, 1923-24	Budget, 1924-25.
RECEIPTS.			
(1) Discount on loans raised in previous years brought to account as debt incurred	£ 140,800	£ 158,300	£ 183,500
(2) Liabilities assumed by the Secretary of State in connection with the purchase of Railways . . . . .	...	...	18,500,000
(3) Remittances between England and India—			
(a) Postal and Money Order transactions	450,000	1,130,000	226,000
(b) Recoveries on account of drawings by Iraq administration on India	2,730,000	2,427,900	2,560,000
(c) Other transactions	1,218,800	1,605,800	2,043,900
TOTAL RECEIPTS EXCLUDING DIRECT REMITTANCES AND LOANS	4,559,600	5,321,100	23,515,400
DISBURSEMENTS.			
(4) Excess of Expenditure of the Central Government over Revenue	28,742,300	26,500,100	28,265,500
(5) Expenditure incurred on behalf of Provincial Governments	2,288,600	2,101,900	3,047,000
(6) Capital Expenditure not charged to Revenue—			
(a) Outlay on State Railways	19,000,000	10,775,200	11,568,400
(b) Capital charge involved in redemption of liabilities . . . . .	..	...	18,500,000
(c) Outlay on Irrigation Works and Delhi	55,800	73,300	53,800
(7) Discharge of railway debentures		715,500	451,000
(8) Deposits and advances	358,000	1,710,200	454,800
TOTAL DISBURSEMENTS	50,474,700	41,876,200	62,340,500
NET DISBURSEMENTS	45,915,100	36,555,100	38,825,100
FINANCED AS FOLLOWS—			
Remittances from India (net)	28,000,000	16,303,700	36,000,000
Debt incurred	15,000,000	18,000,000	...
Reduction of cash balance	2,915,100	2,191,400	2,825,100
TOTAL	45,915,100	36,555,100	38,825,100
Opening Balance	7,418,100	9,822,000	7,680,600
Closing Balance	4,503,000	7,630,600	4,805,500

73. The Revised estimate for the current year provides for a total disbursement by the Secretary of State and the High Commissioner for India of

Revised, 1923-24.

£41.9 millions. The estimate allows for the transfer to revenue of £1,675,000 out of profits earned in previous years from the control of enemy ships by a corresponding charge to the head "Deposits and advances" where the profits were credited when they accrued. Eliminating this transfer, the net expenditure of the Central Government in England in excess of revenue amounts, according to the Revised estimate, to £28.2 millions. The other main disbursements are (i) £2.1 millions representing expenditure on behalf of Provincial Governments chargeable to their balances on deposit with the Central Government, (ii) £10.8 millions on account of Railway Capital outlay, and (iii) £715,000 for discharge of debentures issued by Railway Companies.

74. Apart from public borrowings and direct remittances from India, the resources available for meeting the above disbursements total £5.3 millions, namely (i) £2.4 millions recovered from the Colonial Office against drawings by the High Commissioner for Iraq which have been met in India, (ii) £1.1 millions on account of net receipts on account of sterling postal and money orders paid in India, and (iii) £1.8 millions on account of various miscellaneous receipts, mainly recoveries from His Majesty's Government against disbursements made on their behalf in India.

75. The Secretary of State floated in May 1923 a sterling loan for £20 millions carrying interest at $4\frac{1}{2}$ per cent. and repayable in 1950-55, at an issue price of £90 per cent. The proceeds of the loan amounted to £18 millions.

76. The remittances from India by the sale of Council Bills and the purchase of sterling are expected to amount by the end of the year to £22.5 millions. A sum of £5.8 millions was transferred during the middle of the year from the holding of British treasury bills on behalf of the Paper Currency Reserve to the cash balances of the Secretary of State. On the other hand, with the object of effecting sterling remittances when the opportunity offered and at the same time affording some relief to the monetary position in India, a sum of £12 millions out of the above remittance was treated as made on behalf of the Paper Currency Reserve in the latter part of the year, in other words British treasury bills of this value were deposited in the Reserve in England against currency notes issued in India. Again, a sum of £2 millions was received in sterling in England against gold sold from the Paper Currency Reserve holding in India, and was invested in British treasury bills on behalf of the Reserve in England. The net result of these remittance operations is an addition of £16.4 millions to the Secretary of State's cash balances, and the holding of British Treasury bills in the Paper Currency Reserve at the end of the year will amount to £14 millions against £5.8 millions at the beginning.

77. The net disbursements in England mentioned above amount to £36.6 millions, against which £34.4 millions are available from the proceeds of the sterling loan and remittances from India. The balance of £2.2 millions will be met from the cash balances which will accordingly stand at £7.6 millions at the end of the year against £9.8 millions at the beginning.

78. The broad variations in the above programme from that contemplated in the Budget, are as follows. The receipts from the sterling loan were £3 millions more than assumed in the Budget, the capital outlay on railways is expected to fall short of the Budget by £8.2 millions, and other miscellaneous transactions will show an improvement of £1.1 million. On the other hand, the remittances from India were in the net less by £11.6 millions.

Budget, 1924-25.

79. The disbursements by the Secretary of State and the High Commissioner in the coming year are now estimated at £43.8 millions, namely, excess of expenditure of the Central Government over revenue £28.3 millions, expenditure on behalf of Provincial Governments £3 millions, Railway capital outlay £11.6 millions, and discharge of railway debentures and net issues under deposits and advances £0.9 million.

80. It is expected that the Secretary of State will recover £2.6 millions from the Colonial Office against drawings on India by the High Commissioner for Iraq, while miscellaneous receipts (mainly recoveries from His Majesty's Government of disbursements on their behalf in India) will amount to £2.4 millions—a total of £5 millions.

81. The deficiency in resources is thus £38·8 millions. The estimates provide for its being met to the extent of (i) £36 millions by remittances from India in one form or another, and (ii) £2·8 millions by a reduction of the cash balances from £7·6 millions at the beginning of 1924-25 to £1·8 millions at its end. It is not possible to indicate at present the precise form which the remittances from India aggregating £36 millions will take as this must depend on circumstances from time to time during the year; but it is assumed for the purpose of the estimates that £10 millions of the remittance will be obtained by a withdrawal from the Paper Currency Reserve in England against a corresponding payment into the Reserve in India. The estimates do not provide for the issue of any sterling loan next year, but discretion is reserved as usual to issue a loan if that course is considered desirable.

82. The Budget estimates for 1924-25 include a debit of £18½ millions under the head "capital charge involved in redemption of liabilities" and an equivalent credit as debt incurred in respect of the debenture stock of the East Indian Railway Company for which the Secretary of State will incur liability on the termination of the company's contract.

83. The following are the details of the transactions of the Gold Standard Reserve in England:—

	1923-24		1924-25	Gold Standard Reserve
	Budget £	Revised. £	Budget £	
RECEIPTS.				
(a) Dividends on investments, discount on treasury bills, interest on loans at short notice, etc.	1 076,300	1 250,200	1,504,100	
(b) Exchequer Bonds, British treasury bills and Colonial Government securities, etc, paid off	140,991,000	121,429,000	102,108,100	
Total	142,067,300	122,679,200	103,907,200	
CHARGES.				
Investments made.	141,009,000	121,379,300	102,486,800	
Appropriation for the reduction of created securities in the Paper Currency Reserve in Revised 1923-24 against short appropriation in 1922-23	...	47,500		
Appropriation to Revenue	1,058,300	1,252,100	1,420,400	
Total	112,067,300	122,679,200	103,907,200	

84. The following statement shows the transactions and balances of the fund in the two years taken together:—

	1923-24		1924-25
	Budget. £	Revised. £	Budget. £
OPENING BALANCE—			
(a) Invested (cost price)	40,141,700	40,001,700	39,952,000
(b) Uninvested—			
Cash at the Bank of England	1,800	3,700	3,700
	<u>40,143 500</u>	<u>40,005,400</u>	<u>39,955,700</u>
CLOSING BALANCE—			
In England—			
(a) Invested (cost price)	40,159,700	39,952,000	40,035,700
(b) Uninvested—			
Cash at the Bank of England	1,800	3,700	3,700
	<u>40,161,500</u>	<u>39,955,700 (a)</u>	<u>40,039,400 (a)</u>
Difference between opening and closing balances representing Interest, etc., on investments in England less appropriation for the reduction of created securities in the Paper Currency Reserve, or to Revenue (vide preceding paragraph)			
	<u>18,000</u>	<u>—19,700</u>	<u>83,700</u>

(a) These figures are based on the cost price of investments for the Reserve. The excess over £40 millions on the basis of current market prices will be appropriated to revenue.

INDIA.

85. The following is a summary of the estimates of Ways and Means in India during 1923-24 and 1924-25 :—

	Budget Estimate 1923-24	Revised Estimate 1923-24	Budget Estimate, 1924-25
RECEIPTS.	R	R	R
1. Excess of Revenue of the Central Government over Expenditure charged to Revenue	29,55,09,000	28,56,08,000	25,45,02,000
2. Capital contributed by Railway Companies towards outlay on State Railways . . . . .	..	—32,52,000	—19,52,000
3. Unfunded Debt incurred—			
(a) Post Office Cash Certificates (net)	—17,00,000	5,26,00,000	1,50,00,000
(b) Savings Bank deposits (net)	5,50,95,000	5,17,74,000	5,99,33,000
4. Other Deposits and Remittances (net)—			
(a) Exchange on Remittance Accounts	5,70,80,000	1,32,27,000	5,40,32,000
(b) Appropriation for reduction of created securities in the Paper Currency Reserve . . . . .	..	2,97,72,000	..
(c) Other transactions	2,64,41,000	—82,19,000	1,90,35,000
5. Transfers from the Paper Currency Reserve . . . . .	..	12,00,00,000	.
6. Balances of Provincial Governments	1,08,74,000	7,14,00,000	4,47,000
TOTAL RECEIPTS EXCLUDING LOANS	47,03,02,000	63,79,10,000	43,09,97,000
DISBURSEMENTS.			
6. Capital Expenditure not charged to Revenue—			
(a) State Railways	19,63,95,000	12,83,12,000	18,43,16,000
(b) Irrigation Works	22,000	5,000	..
(c) Posts and Telegraphs	91,30,000	96,65,000	1,73,95,000
(d) Initial expenditure on new Capital at Delhi	1,88,42,000	1,74,69,000	1,41,62,000
7. Permanent Debt discharged (net)	6,98,52,000	1,91,41,000	1,82,93,000
8. Floating Debt discharged —			
Treasury bills issued to the public (net)	5,50,00,000	19,46,00,000	2,13,00,000
9. Loans to Provincial Governments (net)	13,46,77,000	11,32,26,000	12,72,62,000
10. Loans to Indian States, etc. (net)	—6,67,000	—20,44,000	—6,70,000
11. Remittances between England and India—			
(a) Remittances from India for financing Home Treasury	28,00,00,000	28,36,37,000	36,00,00,000
(b) Drawings by the Iraq administration recoverable in England	2,75,00,000	2,42,70,000	2,56,00,000
(c) Other transactions (net)	2,05,88,000	2,12,55,000	2,23,04,000
TOTAL DISBURSEMENTS	81,16,39,000	88,95,86,000	78,99,62,000
NET DISBURSEMENTS	34,13,37,000	20,16,26,000	35,89,65,000
FINANCED AS FOLLOWS:			
Debt incurred	25,00,00,000	23,97,47,000	20,00,00,000
Reduction of Treasury Balances	9,13,37,000	—3,81,21,000	15,89,65,000
TOTAL	34,13,37,000	20,16,26,000	35,89,65,000
Opening Balance	23,89,58,000	25,95,80,000	29,77,01,000
Closing Balance	14,76,21,000	29,77,01,000	18,87,86,000

86 The following table shows the estimates of total capital outlay of the Central Government, net expenditure of the Central Government charged to revenue, and net transactions of Provincial Governments in the current and next years, and their distribution between India and England :—

(In lakhs of rupees.)							
Revised, 1923-24.				Budget, 1924-25.			
	India inclusive of adjust- ment for exchange.	England	Total.	India inclusive of adjust- ment for exchange.	England	Total.	
(i) Capital outlay not charged to revenue—							
(a) Railways	12,85	10 78	23,63	18,43	11,57	30,00	
(b) Indian Postal and Telegraph Department	97	.	97	1,74		1 71	
(c) New Capital at Delhi	1,75	7	1,82	1 42	5	1,47	
Total	15,55	10,85	26,40	21,59	11,62	33,21	
(ii) Net expenditure of Central Government charged to revenue	—38,56	26,50	—12,06	—28,45	28,27	—18	
(iii) Net drawings of Provincial Governments	—7,14	2,10	—5,04	—4	3,01	3,00	
GRAND TOTAL	—20,15	39,45	19,30	—6,90	42,93	36,03	

87. The estimates relating to England shown in the above table have been dealt with in connection with the Ways and Means position of the Secretary of State. Those relating to India will be found in the table in paragraph 85 summarising the Ways and Means position in India.

88. The following table shows the assets available for the reduction of created securities in the Paper Currency Reserve in the two years :—

(In lakhs of rupees.)		
	Revised, 1923-24.	Budget, 1924-25.
Excess in assets of Gold Standard Reserve over £40 millions (relating to 1922-23)	5	—
Exchange on the above	2	..
Exchange in respect of the transfer of £5,848,000 from the Paper Currency Reserve to Treasury balances in England	2,91	..
	<u>2,98</u>	<u>..</u>

89. The interest realised on the investments of the Paper Currency Reserve was earmarked for this purpose by the Indian Paper Currency Amendment Act, XLV of 1920; the Indian Finance Acts, 1922 and 1923, however, suspended this provision temporarily for the three years ending 31st March 1924, and the Indian Finance Act, 1924, has suspended it for one year more. Credit for the interest has accordingly been taken to revenue in the current year's Revised and next year's Budget. When the Act of 1920 was before the Legislature, an undertaking was given on behalf of Government that the assets of the Gold Standard Reserve in excess of £40 millions would be applied to the same purpose, but it has been decided to credit them also to revenue in the current year and it is proposed to follow the same procedure for next year.

90. There was no cancellation of created securities during the current year, the credit of ₹2,98 lakhs mentioned above being set off against an excess cancellation effected in 1922-23. In consequence of the decision to credit to revenue both the interest on investments in the Paper Currency Reserve and the assets

of the Gold Standard Reserve in excess of £40 millions, no sums will be specifically available next year for the reduction of created securities. The holdings of Indian Treasury bills in the Paper Currency Reserve will continue to stand at Rs49,65 lakhs at the close of this as well as the next year.

91. The following table summarises the disbursements in India in the current and next years as at present estimated :—

	(In lakhs of rupees.)	
	Revised, 1923-24.	Budget, 1924-25.
(i) Discharge of debt other than treasury bills	1,91	1,83
(ii) Discharge of treasury bills held by the public	19,16	2,13
(iii) Loans to Provincial Governments (net)	11,32	12,72
(iv) Remittances from India for financing the Home Treasury (net)—see paragraphs 76 and 81	10,36	36,00
(v) Drawings by the Mesopotamian Administration against recoveries in England	2,43	2,56
(vi) Miscellaneous deposits, advances and remittances	— 41	46
Total	54,07	55,70

92. The details of the entries against item (i) in the preceding paragraph are as follows :—

	(In lakhs of rupees.)	
	Revised, 1923-24.	Budget, 1924-25.
(a) Discharge of debt through purchases for sinking funds	41	1,34
(b) Annual instalment in repayment of Gwalior 1 per cent. loan of 1887	12	2
(c) War Bonds, etc., converted into current loan or discharged	1,78	27
(d) Discharge of 1 per cent. Terminable Loan	2,60	20
Total	4,91	1,83

93. The resources available in the two years for meeting the above disbursements are estimated as follows :—

	(In lakhs of rupees.)	
	Revised, 1923-24.	Budget, 1924-25.
(i) Proceeds of rupee loan in India	23,97	20,00
(ii) Net receipts from Savings Bank deposits	5,18	6,00
(iii) Net receipts from Post Office cash certificates	5,26	1,50
(iv) Net credits from exchange adjustments— <i>vide</i> paragraph 52	3,32	5,40
(v) Excess of revenue in India over expenditure including Provincial drawings (net)— <i>vide</i> paragraph 86	20,15	6,90
Total	57,88	39,80

1923-24.
Rupee loans.

94. The total receipts from the new rupee loan, subscriptions for which were received from the 4th July 1923 amounted to Rs23,97 lakhs, inclusive of Rs4 lakhs from the post office section of the loan. The receipts consisted of Rs14,18 lakhs from the ten year 5 per cent. Bonds, 1933, and Rs9,79 lakhs from the 5 per cent. Income-tax free loan, 1945-55. The receipts from the post office section were negligible as the loan was open only for five working days. War bonds, 1923, of a total value of Rs8 lakhs and treasury bills of a discounted value of Rs1½ lakhs were received in payment of subscriptions to the loan. The gross receipts and payments on account of cash certificates are expected to amount to Rs6,88 lakhs and Rs1,62 lakhs respectively during the current year, the net receipts thus amounting to Rs5,26 lakhs.

95. The entry relating to the proceeds of the rupee loan to be raised next year is as usual provisional and Government reserves discretion to vary the borrowing programme during the year.

96. The Budget estimate assumed that there would be a net deposit of R1,00 lakhs into postal savings banks in the current year; the net deposit is now expected to amount to R90 lakhs. The Budget estimate for 1924-25 provides for a net deposit of R1,00 lakhs. *Post Office Savings Banks.*

97. The disbursements enumerated in paragraph 91 are less than the available resources detailed in paragraph 93 by R3,81 lakhs in the current year and exceed the same by R15,90 lakhs for next year. The cash balance in India at the end of 1923-24 will thus stand at R29,77 lakhs against R25,96 lakhs at the beginning of the year and will be reduced to R13,87 lakhs by the end of 1924-25. The outstandings of treasury bills with the public amounted to R21,59 lakhs on the 1st April 1923; it is expected that they will be reduced to R2,13 lakhs by the 31st March 1924. Provision has been made in 1924-25 for the discharge of the outstanding balance of R2,13 lakhs, so that there will be no treasury bills in the hands of the public at the end of 1924-25. Here again discretion is reserved to issue bills, if necessary.

A. C. McWATTERS.

The 28th March 1924.

APPENDIX I.

**PRO FORM^A ACCOUNT OF EXPENDITURE ON DELHI AND THE
DELHI PROVINCE.**

Prefatory Note.

I.—Scope of *pro formâ* account.

The following *pro formâ* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Auditor General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay*. The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II.—*Annual Expenditure*.

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the construction of the accommodation of the troops already there had long been recognised as pressing. Similarly the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in this city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, i.e., the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—Relation between the *pro formâ* account and the regular accounts.

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "57—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "53—State Railways".

Item 1 of Part I
of *pro formâ*
account.

Item 3(b), *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Auditor General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "41—Civil Works". Any non-recurring receipts which may eventually be obtained in connection with these temporary works, e.g., from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head "XXX—Civil Works".

Item 2 *ibid.*

Item II, *ibid.*

Items 1 and I of
Part II of *pro*
formâ account.

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or secondly as departmental expenditure chargeable to the Department in which it is incurred

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations and are eventually published separately, like the figures for Coorg and Baluchistan, in an appendix to the Civil Estimates. It will be noted that any grants which may be specially given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

Items 3 (a) and III
of Part I of *pro*
formâ account

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department neither the initial outlay nor the recurring receipts and expenditure have been included.

Items 4 to 7 and I
and IV of Part I,
and Items 2 and 3
and II to V of Part
II of *pro formâ*
account.

Item I of Part I

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure on Delhi and the Delhi Province. Most of these are self-explanatory, but attention may be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any) and elsewhere. These will be credited under the major heads "XXXV—Miscellaneous" and "XXX—Civil Works", and the *pro formâ* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such saving will, therefore, be found in an explanatory footnote [See Part I, Note 5.]

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro formâ* account.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE

[Figures in thousands of Rupees]

Expenditure.	Actuals, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	Receipts.	Actuals, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
1. Expenditure of Delhi Province *	53,12	50,93	51,71	I.—Revenue of Delhi Province*	30,62	30,11	30,37
2. Miscellaneous items	42	50	42	II.—Saving under Calcutta house allowances	48	46	45
				III.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices.†	2,50	2,50	2,50
Total expenditure	53,54	51,43	52,15	IV.—Miscellaneous items	3	3	3
Net expenditure	22,91	18,33	18,80	Total receipts	33,63	33,10	33,35

* NOTE 1.—The details of this item are given in Statement II-A.

NOTE 2.—The figures shown against item III will be subject to increase as additional offices are successively transferred from Calcutta to Delhi.

† NOTE 3.—The figure shown against item IV is a minimum figure calculated once for all on the assumption that all offices or portions of offices which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been larger owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

STATEMENT I.-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part I of pro forma account.

[Figures in thousands of Rupees.]

Items	Actuals to end of 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25
A.—Salaries and allowances—			
(a) Preliminary Investigation—			
(i) Gazetted officers	2,04	..	...
(ii) Non-gazetted officers	14	...	...
(b) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers	56,33	10,09	9,00
(ii) Non-gazetted officers	31,9	7,21	8,13
(c) Miscellaneous officers (including all others) employed on the Project—			
(i) Gazetted officers	4,19	41	37
(ii) Non-gazetted officers	3,02	32	39
B.—Travelling allowances of Officers and Establishment—			
(a) Preliminary Investigation—			
(i) Gazetted officers	23	..	...
(ii) Non-gazetted officers	2	...	...
(b) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers	5,22	67	67
(ii) Non-gazetted officers	3,04	55	5
(c) Miscellaneous officers (including all others) employed on the Project—			
(i) Gazetted officers	42	9	9
(ii) Non-gazetted officers	13	4	4
C.—Supplies, Services and Contingencies—			
(a) Preliminary Investigation	51	...	...
(i) Public Works and Electrical officers employed on the Project	4,32	64	64
(ii) Miscellaneous officers employed on the Project	42	1	1
Less—On account of exchange . . . . .	...	1,48	1,15
Total A, B and C	1,15,06	21,51	21,13
Deduct—Credits from other heads of accounts	23,86	2,64	4,47
Net Total A, B and C	91,20	18,87	16,66
D.—Works Expenditure—			
(i) Buildings . . . . .	...	...	...
(a) Government House	40,49	18,50	20,00
(b) Secretariat	68,06	26,30	35,00
(c) Other buildings	1,33,96	20,00	59,18
(d) Legislative Chambers	7,89	13,36	30,00
(ii) Communications	18,34	6,50	7,05
(iii) Miscellaneous Public Improvements	9,48	2,50	5,45
(iv) Electric Light and Power	22,52	11,70	15,00
(v) Irrigation	31,08	7,07	2,50
(vi) Sanitation including storm-water drains, sewage and sewage disposal, water-supply, and conservancy	69,29	20,75	17,00
(vii) Tools and plants	77,31	6,00	1,80
(viii) Stock and Suspense	86,01	5,21	—25,00
(ix) Miscellaneous including surveys camps and general preliminary expenditure connected with works	83,16	7,68	—3,00
(x) Maintenance during construction	43,32	11,50	11,00
(xi) Railway diversion	11,63	4,39	—1,75
E.—Acquisition of land taken up for the Project	33,62	17	...
F.—Other Miscellaneous expenditure	6	..	...
Reserve for fluctuation in exchange . . . . .	..	..	1,50
Minus Receive . . . . .	...	...	—43,39
Deduct—Receipts on Capital Account	25,56	3,00	3,00
Total	8,02,76	1,82,00	1,47,00

STATEMENT II-A.

Revenue and Expenditure of Delhi Province.

[Figures in thousands of rupees.]

REVENUE.				EXPENDITURE.			
Major heads of Account.	Actuals, 1922- 23.	Revised Esti- mate, 1923- 24.	Budget Esti- mate, 1924- 25.	Major heads of Account.	Actuals, 1922- 23.	Revised Esti- mate, 1923- 24.	Budget Esti- mate, 1924- 25.
I.—Customs . . .	1,41	1,34	1,34	2 Taxes on Income . . .	15	16	23
II.—Taxes on Income . . .	8,27	8,00	8,00	5. Land Revenue . . .	38	38	38
IV.—Opium . . .	23	28	28	6. Excise . . .	16	11	11
V.—Land Revenue . . .	3,32	3,47	3,47	7. Stamps . . .	11	11	11
VI.—Excise . . .	4,19	4,44	4,44	9. Registration . . .	8	9	9
VII.—Stamps . . .	7,21	7,97	7,97	15. Miscellaneous Irrigation Ex- penditure . . .	2	27	50
IX.—Registration . . .	43	11	41	22. General Administration . . .	3,05	3,50	3,26
XIV.—Irrigation works for which no capital accounts are kept . . .	6	5	5	23. Audit (a) . . .	45	53	44
XVI.—Interest . . .	10	18	18	24. Administration of Justice . . .	1,83	1,75	1,80
XVII.—Administration of Justice . . .	36	42	42	25. Jails and Convict settlements . . .	1,19	1,23	1,41
XVIII.—Jails and convict settle- ments . . .	19	20	20	26. Police . . .	8,60	8,23	8,26
XIX.—Police . . .	24	13	14	28. Ecclesiastical . . .	32	43	45
XXI.—Education . . .	15	15	15	29. Political . . .	1	1	1
XXII.—Medical . . .	9	8	8	30. Scientific Departments . . .	38	1	1
XXVI.—Miscellaneous Depart- ments . . .	6	4	5	31. Education . . .	4,42	5,30	5,28
XXX.—Civil Works . . .	2,44	2,00	2,23	32. Medical . . .	3,47	3,31	3,41
XXXIII.—Receipts in aid of Superannuation, etc . . .	4	6	6	33. Public Health . . .	54	72	77
XXXIV.—Stationery and Printing . . .	7	8	8	34. Agriculture . . .	30	17	13
XXXV.—Miscellaneous . . .	1,36	81	82	35. Industries . . .	4	2	3
				37. Miscellaneous Departments . . .	...	...	...
				38. Currency . . .	4	5	5
				41. Civil Works . . .	15,91	13,60	12,32
				41. Civil Works—Viceregal Estates, Delhi . . .	1,57	1,55	1,65
				44. Territorial and Political Pen- sions . . .	46	48	48
				45. Superannuation, etc. . .	2,58	3,01	3,14
				46. Stationery and Printing . . .	8	9	9
				47. Miscellaneous . . .	7,16	3,16	4,91
				Retunds . . .	1,52	2,3	2,31
TOTAL . . .	30,62	30,11	30,37	TOTAL . . .	56,12	50,93	51,71

(a) Exclusive of the portion of the cost of the office of the Deputy Accountant General, Central Revenues, Delhi, debitable to Part I.

APPENDIX II.
COMMERCIAL AND FINANCIAL STATISTICS.

Appen
COMMERCIAL AND
Table I.—

Recorded revenue compared with recorded expenditure, excluding Capital Expenditure on Railways, Irrigation works, Telegraphs and the Delhi Capital not charged against Revenue—	1915-16.	1916-17.	1917-18.
Surplus R	...	11,21,72,550	12,13,06,110
Deficit R	1,78,29,915	...	...
Capital Expenditure on Railways and Irrigation Works not charged against Revenue R	8,38,35,975	3,57,06,467	5,91,66,825
Capital charge involved in the purchase of Railways R	...	...	...
Capital outlay on the Indian Postal and Telegraph Department not charged against Revenue R	...	...	...
Initial expenditure on new Capital at Delhi R	40,69,110	36,61,155	37,58,145
India's Financial Contribution to the War R	...	...	1,50,00,00,000
Net Public Debt incurred R	3,56,97,510	11,56,72,620	1,73,76,00,090
Net Public Debt incurred, including Capital transactions with Railway Companies R	8,64,25,637	11,29,52,367	1,72,9,94,174
Value of commodities exported, excluding Gold and Silver R	1,90,15,00,000	2,17,57,70,000	2,47,90,40,000
Ditto imported, ditto ditto R	1,35,00,99,000	1,60,21,90,000	1,64,35,50,000
Excess of Exports over Imports, excluding Gold and Silver R	55,14,01,000	57,35,80,000	80,54,90,000
Net imports of Gold R	1,10,90,000	13,23,50,000	25,17,80,000
Ditto of Silver R	4,83,00,000	18,80,00,000	19,04,20,000
TOTAL NET IMPORTS OF GOLD AND SILVER R	3,72,10,000	32,03,50,000	44,22,00,000
Excess of Exports over Imports including Gold and Silver R	57,59,00,000	55,09,30,000	36,32,90,000
Net Imports of Currency Notes R	...	...	...
Excess of Exports over Imports including Gold, Silver and Currency Notes R	57,59,00,000	55,09,30,000	36,32,90,000
Secretary of State's Bills sold (Rupees) R	\$ 3,30,5,471(a)	\$ 49,01,34,304(a)	\$ 50,63,67,176 (a)
Sterling Equivalent received £	\$ 0,304,517(a)	\$ 82,993,035 (a)	\$ 34,880,682 (a)
Silver coined at the Indian Mints R	1,62,02,199	30,77,07,300	23,87,07,287
Maximum price in pence of an oz. troy standard Silver in London	28 ¹⁵ / ₁₆ (31st March 1916.)	38 ⁷ / ₁₆ (13th Feb. 1917)	35 (21st to 24th Sept. 1917.)
Minimum ditto ditto	22 ¹ / ₂ (5th Aug. 1915.)	28 ⁹ / ₁₆ (10th July 1916.)	36 ⁹ / ₁₆ (18th to 17th April 1917.)
Average Exchange upon Secretary of State's Bills sold per rupee	1s. 4'087d.	1s. 4'148d.	1s. 4'536d.
Average of the daily telegraphic transfer rates from Calcutta on London . . . . .	...	...	...
Rate of Exchange for the adjustment of transactions between the Indian and Imperial Governments	1s. 4d	1s. 4d.	1s. 4d. and 1s. 5d.
Maximum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta	8 (20th Jan. 1916 to 31st March 1916.)	8 (1st to 13th April 1916 and 9th Nov. 1916 to 21st Feb. 1917.)	6 (1st April to 6th Sept. 1917 and 3rd Jan. to 31st March 1918.)
Minimum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta	5 (2nd June to 22nd Sept.)	5 (22nd June to 13th Sept.)	5 (7th Sept. 1917 to 2nd Jan. 1918.)
Maximum rate of discount at the Bank of England	5 (1st April 1915 to 31st Mar. 1916.)	6 (13th July 1916 to 17th Jan. 1917.)	5 ¹ / ₂ (2nd to 4th April 1917.)
Minimum ditto ditto	5 (1st April 1915 to 31st Mar. 1916.)	5 (1st April to 12th July 1916.)	5 (5th April 1917 to 31st March 1918.)
Maximum Government balances at the Imperial Bank of India R	8,67,07,000 (Aug.)	10,11,86,000 (Mar.)	22,65,24,000 (June)
Minimum ditto ditto R	4,42,76,000 (Nov.)	4,84,33,000 (May.)	7,37,68,000 (Nov.)
Maximum price in Calcutta of 5 per cent. War Loan, 1929—47 . . . . .	...	...	...
Minimum ditto ditto . . . . .	...	...	...
Maximum price in Calcutta of 5 per cent. income-tax free loan, 1945—55 . . . . .	...	...	...
Minimum ditto ditto . . . . .	...	...	...
Maximum price in Calcutta of Government 3 ¹ / ₂ per cent. Rupee Securities (Guaranteed)	93-2 (5th to 11th June 1915.) (d.)	82 (7th and 11th to 14th April 1916.)	70 (6th to 14th Sep. and 31st Oct. 1917 to 7th Feb. 1918.)
Minimum ditto ditto	79 ¹ / ₂ (23rd Dec. 1915 to 6th Jan. 1916.)	69 (22nd Feb. to 2nd March and 20th to 31st March 1917.)	67 (20th June to 24th Aug. 1917.)
Maximum price in Calcutta of 3 per cent. Rupee Securities	80 (1st April to 2nd June 1915.)	70 (5th to 20th April 1916.)	60 (6th to 14th Sep. and 31st Oct. to 16th March 1918.)
Minimum ditto ditto	67 ¹ / ₂ (23rd Dec. 1915 to 6th Jan. 1916.)	59 (22nd Feb. to 2nd March and 20th to 31st March 1917.)	57 (20th June to 24th Aug. 1917.)
Maximum amount outstanding on London Register of Rupee Securities entered for Interest Drafts R	9,66,98,000 (Apr.)	8,76,76,000 (Apr.)	8,06,95,000 (Apr.)
Minimum ditto ditto R	8,81,17,000 (Dec.)	8,80,42,000 (Mar.)	7,47,56,000 (March.)
Maximum price in London of 8 ¹ / ₂ per cent. (Rupee Securities in Gold)	No quotation.	No quotation	52
Minimum ditto ditto	82 ¹ / ₂ (May.)	80 ¹ / ₂	44 ¹ / ₂
Maximum price in London of India 3 ¹ / ₂ per cent. Stock	80 ¹ / ₂ (Apr.)	62 ¹ / ₂	69 ¹ / ₂
Minimum ditto ditto	70 ¹ / ₂ (Apr.)	69 ¹ / ₂	61 ¹ / ₂
Maximum price in London of India 3 per cent. Stock	69 ¹ / ₂ (Apr.)	55 ¹ / ₂	60 ¹ / ₂
Minimum ditto ditto	59 ¹ / ₂ (Apr.)	57 ¹ / ₂	58
Maximum price in London of India 2 ¹ / ₂ per cent. Stock	57 (May.)	47	50
Minimum ditto ditto . . . . .	...	...	45 ¹ / ₂
Maximum price in London of 7 per cent. Stock . . . . .	...	...	...
Minimum ditto ditto . . . . .	...	...	...
Maximum price in London of 5 ¹ / ₂ per cent. Stock . . . . .	...	...	...
Minimum ditto ditto . . . . .	...	...	...
Maximum price in London of 4 ¹ / ₂ per cent. Stock . . . . .	...	...	...
Minimum ditto ditto . . . . .	...	...	...
Maximum Government Paper Currency outstanding R	68,06,10,000 (July)	86,87,52,000 (Mar.)	1,14,78,70,000 (Oct.)
Minimum ditto ditto R	60,24,42,000 (Apr.)	65,46,90,000 (Apr.)	82,72,35,000 (Apr.)
Number of Post Office Savings Banks	10,886	10,421	10,975
Number of accounts in Post Office Savings Banks	1,660,424	1,647,419	1,600,600
Amount deposited in Savings Banks R	15,34,12,517	16,59,55,401	16,80,00,470
Average of each deposit	6.194	100.73	101.27
Net addition to deposits R	42,892.27	1,27,40,884	1,27,40,884

dix III.

FINANCIAL STATISTICS.

Miscellaneous.

1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24. Revised.	1924-25. Budget.
5,73,06,135	23,65,28,825	23,00,85,276	27,65,01,700	15,01,76,392	2,06,07,000	18,47,000
7,64,13,315	14,42,99,228	26,55,72,106	22,97,57,115	18,15,67,514	23,60,71,000	30,00,00,000
...	...	...	...	...	...	27,07,08,000
42,86,895	50,35,427	1,25,75,011	81,61,617	65,02,006	96,65,000	1,73,95,000
11,47,30,575	8,90,70,511	5,34,07,158	1,35,27,418	1,84,70,132	1,63,00,000	1,47,00,000
10,22,96,861	1,22,22,796	51,76,1,281	49,75,33,002	25,26,11,519	16,71,82,000	34,08,00,000
2,55,30,90,000	3,16,07,20,000	2,67,16,80,000	2,18,65,50,000	3,16,07,20,000	(b) 3,21,13,50,000	
1,82,56,20,000	2,21,70,20,000	3,17,51,10,000	2,81,50,50,000	2,46,19,20,000	(b) 2,17,46,10,000	
66,74,70,000	1,11,32,00,000	(c) 79,80,60,000	(c) 33,91,00,000	69,83,00,000	(b) 1,03,67,40,000	
1-5,56,40,000	35,35,00,000	2,10,80,000	1-2,86,40,000	11,19,10,000	(b) 26,20,60,000	
67,91,90,000	29,22,90,000	6,18,40,000	15,09,60,000	18,31,10,000	(b) 17,63,70,000	
62,35,50,000	64,55,90,000	8,59,20,000	12,23,20,000	59,54,70,000	(b) 43,86,50,000	
4,39,20,000	49,76,70,000	(c) 48,39,80,000	(c) 46,17,20,000	10,33,00,000	(b) 59,81,10,000	
...	...	...	...	1,01,70,000	(b) 1,63,50,000	
4,39,20,000	49,76,70,000	(c) 48,39,80,000	(c) 46,17,20,000	9,31,80,000	(b) 58,17,60,000	
(a) 28,65,41,000	34,54,98,000	...	...	3,75,00,000	12,68,50,000	
(a) 20,946,314	31,226,219	...	...	2,570,025	8,733,704	
52,05,35,309	37,72,19,758	3,41,30,039	1,60,86,628	62,75,416	49,61,605	
50 (28th March 1919).	80 (11th Feb. 1920.)	72 (7th April 1920.)	43 (37th Sept. 1921.)	37 (22nd May 1922.)	34 (3rd and 5th Jan. 1923.)	
45 (8th to 10th Apl. 1918).	7 (4th April and 6th May 1919.)	30 (5th March 1921.)	32 (28th Feb. & 2nd Mar. 1922.)	30 (15th Dec. 1922.)	30 (13th July 1923.)	
1s. 5'54d.	1s. 9'69d.	1s. 8'62d.	1s. 8'85d.	1s. 8'76d.	1s. 4'd. (este)	
1s. 5d. and 1s. 6d.	1s. 6d., 1s. 8d., 2s., 4d., and 2s. 9d.	2s. 8d., 2s. 4d., 2s. 2'd., 2s., 1s. 11d., 1s. 10'd., 1s. 8'd., 1s. 5'd., 1s. 6'd. & 1s. 4'd.	1s. 3'd., 1s. 3'd., 1s. 3'd., 1s. 4d., 1s. 4'd., 1s. 5d., and 1s. 5'd.	1s. 3'd., 1s. 3'd., 1s. 3'd., 1s. 4d., and 1s. 4'd.	1s. 4d., 1s. 4'd., 1s. 4'd., 1s. 5d., 1s. 5'd.	
7 (16th Jan. to 26th Mar. 1919).	7 (12th to 31st Mar. 1920.)	7 (1st April to 9th June 1920. 15th Nov. 1920. to 2nd Mar. 1921.)	8 (16th Feb. to 31st March 1922.)	8 (1st to 26th April 1922 and from 11th Jan. to 31st Mar. 1923.)	9 from (14th Feb. 1924.)	
5 (23rd May to 6th Nov. 1918).	5 (5th June 1919 to 14th Jan. 1920.)	5 (1st July to 3rd Nov. 1920.)	5 (2nd June to 14th Dec. 1921.)	4 (6th July to 25th Oct. 1922.)	4 (28th June to 14th Nov. 1923.)	
5 (1st Apl. 1918 to 31st Mar. 1919.)	6 (6th Nov. 1919 to 31st Mar. 1920.)	7 (15th April 1920 to 31st Mar. 1921.)	7 (1st April to 1st May 1921.)	4 (1st to 12th April 1922.)	4 (since 5th July 1923.)	
	5 (1st April 1919 to 5th Nov. 1919.)	6 (1st to 14th April 1920.)	4 (16th Feb. to 31st March 1922.)	3 (13th July 1922 to 31st Mar. 1923.)	3 (1st Apl. to 4th July 1923.)	
18,60,47,000 (Sept.)	18,26,33,000 (Feb.)	20,38,41,000 (July.)	25,87,16,000 (31st July.)	33,19,07,000 (24th July.)	29,74,54,000 (20th July.)	
6,54,39,000 (Apl.)	7,04,52,000 (Sept.)	5,84,98,000 (Feb.)	5,34,64,000 (18th Nov.)	8,22,54,000 (10th Nov.)	6,22,69,000 (6th Nov.)	
93	95	90	87	88-8	98-10	
90	90	77	73	81-6	87-12	
...	95 to 96	95 to 96	89	93-8	98-10	
...	...	75	80	87	93-2	
81 (7th to 21st Nov. 1918.)	71 (1st April to 17th May 1919.)	60 (1st to 16th April 1920 and 5th to 15th Jan. 1921.)	62 (30th & 31st May 1921.)	61-4 (22nd and 23rd Mar. 1923.)	67-3 (8th Mar. 1924.)	
65 (3rd May to 24th June 1918.)	60 (27th Feb. to 31st Mar. 1920.)	52 (1st Nov. to 22nd Dec. 1920.)	55-10 (from 3rd March 1922.)	55-3 (1st to 17th April 1922.)	61 (3rd to 5th Mar. 1923.)	
69 (5th to 22nd Nov. 1918.)	62 (1st April to 17th May 1919.)	50 (1st April to 5th Oct. 1920 and 5th to 15th Jan. 1921.)	53 (31st May & 1st June 1921.)	52-8 (22nd and 23rd Mar. 1923.)	57-3 (12th Feb. 1924.)	
53 (11th Apl. to 24th June 1918.)	50 (27th Feb. to 31 M 1920.)	42 (1st Nov. to 22nd Dec. 1920.)	47 (1st to 4th April 1921.)	47-12 (1st to 18th April 1922.)	51-14 (3rd to 5th Apl. 1923.)	
8,17,24,000 (Mar.)	8,16,74,000 (Apl.)	6,65,19,000 (Apl.)	7,30,08,000 (Feb.)	10,50,48,000 (Nov.)	10,80,92,000 (Oct.)	
7,34,70,000 (July.)	7,43,58,000 (Dec.)	6,13,12,000 (Sept.)	6,86,30,000 (April.)	9,68,19,000 (May.)	10,86,29,000 (June.)	
54	74	63	42	39	45	
44	49	33	34	34	39	
74	69	61	65	69	72	
62	54	51	55	62	61	
64	60	53	55	59	62	
58	47	43	47	53	52	
53	50	43	46	50	52	
44	40	37	39	44	45	
...	...	...	108	119	124	
...	...	...	102	108	110	
...	...	...	94	105	105	
...	...	...	89	93	99	
...	...	...	...	88	93	
...	...	...	...	83	82	
1,53,46,48,000 (Mar.)	1,53,14,79,000 (Jan.)	1,70,73,89,000 (April.)	1,79,71,49,000 (Oct.)	1,82,26,25,000 (Aug.)	1,84,01,71,000 (Jan.)	
1,05,96,05,000 (Apl.)	1,53,72,07,000 (April.)	1,57,62,82,000 (Sept.)	1,67,81,85,000 (April.)	1,71,76,07,000 (April.)	1,71,23,35,000 (May.)	
10,587	10,670	10,712	10,758	10,730		
1,677,407	1,780,442	18,77,957	19,58,324	20,43,502		
18,82,44,749	21,34,41,628	22,86,21,116	22,26,24,825	23,19,98,761		
112'22	121'26	121'73	113'68	113'52		
9 99 99 974	9 99 39 787	1,51,37,088	59,96,891	93,73,986		

EXPLANATORY MEMORANDUM OF THE RAILWAY BUDGET FOR 1924-25.

1. The object of this memorandum is to explain the main features of the Railway Budget as embodied in the statement of demands passed by the Legislature

2. CAPITAL (Head of Account "53—Construction of State Railways") and PROGRAMME REVENUE EXPENDITURE *i.e.*, expenditure on renewals and replacements, (Part of Head of Account XI). In March 1923 the Legislative Assembly decided that provision should be made for Capital expenditure of 30 crores per annum, or a total of 150 crores in the next five years; that the whole of this money should be devoted to the rehabilitation and improvement of existing lines and to the completion of lines already in hand; and that there should be no lapse of the money voted for any year and not spent within the year, any sums unspent being carried to the credit of the Railway Administration from year to year to the end of the quinquennium. The carry over from 1922-23 under these arrangements was expected to amount to 8.61 crores and the Capital grant for the current year was accordingly fixed at 38.64 crores. At the same time the grant for Programme Revenue, for which a provision of 11.50 crores was originally suggested, was on consideration of the Indian Retrenchment Committee's recommendations reduced to 9 crores.

Out of these sums of 38.64 crores Capital, and 9 crores Programme Revenue, only 23.61 crores Capital and 7.30 crores Programme Revenue are likely to be spent in 1923-24.

3. For an understanding of the failure to spend the Capital grant by so large a sum as 15 crores, it is first of all necessary to recognise that in dealing with a rehabilitation programme Capital and Programme Revenue expenditure are interdependent, and that a guarantee of the capital required, such as the Assembly has given, is in itself insufficient, unless there is a similar guarantee that funds for the concurrent revenue expenditure will be forthcoming. This will be clear if the implications of a programme for spending 150 crores of Capital are realised. Such a programme is in reality one for spending a total sum, not of 150 crores, but of 212 crores on the rehabilitation of railways, the additional 62 crores being the revenue portion of the programme. For when, for example, renewals are carried out with heavier rails, or existing locomotives are replaced by a more powerful type, in order to meet the requirements of modern traffic, such portion of the expenditure as represents mere replacement or renewal on existing standards and not an improvement on those standards must be charged to revenue. There is therefore a close relation between Capital and Revenue (programme) expenditure on projects of rehabilitation and improvement, a ratio which naturally varies for individual projects, but on the 150 crores programme as a whole may be taken as approximately 5 to 2.

Judged by these considerations, it would only have been possible to spend on rehabilitation and improvements to existing lines a Capital grant of 38.64 crores, if some 15 crores had been provided for Programme Revenue expenditure; but it was hoped that it would be possible to carry through the year's programme of spending 38.64 crores capital with a revenue grant of only 11.50 crores, as originally suggested, since some portion of the 38.64 crores was to be devoted, not to open line works but to the completion of new lines. But, for the reasons which have been given, the reduction to 9 crores of the provision for Programme Revenue, automatically limited to some 23 crores the amount which could economically be spent on open line facilities.

4. But this reduction last March from 11.50 to 9 crores in the grant for Programme Revenue had a further result; for it could not be intimated to Railway Administrations until April, and they had consequently to undertake after the year had begun an almost complete revision of their proposals for rehabilitation expenditure during the year. It will be realised that if money

is to be spent economically on railways, whether on Capital or Programme Revenue account, plans must be laid well ahead, estimates must be prepared well in advance and timely arrangements must be made for engaging the necessary staff and obtaining the necessary materials. It will also, it is hoped, be realised from what has already been said that a large and late reduction in the grant for Programme Revenue expenditure which Railway Administrations have expected to obtain must dislocate not only their plan of operations for the year, but also their working arrangements. It is impossible to isolate many of the different items included in a railway programme of rehabilitation since individual schemes are so frequently interlinked, and dependent upon one another. The provision of heavier locomotives requires the provision of heavier rails and the strengthening of girders and bridges; even additional rolling stock, or the doubling of lines measures the cost of which is debited entirely to capital, often mean the reconstruction of railway yards and railway workshops, for the carrying out of which revenue expenditure is involved. It is, therefore, no easy matter, when a cut is made at a late stage in the provision for Programme Revenue, to decide which particular items can be best omitted; and the time spent in revising the whole plan of operations is time lost in carrying out the actual work, rendering it very difficult, if not impossible, to spend economically even the reduced allotment for Programme Revenue, with a consequent further limitation on the possible economical expenditure of capital.

It is not, however, suggested that the reduction by 250 crores in the grant for Programme Revenue, though by itself it would probably have produced these results, was the only factor at play. The whole rehabilitation programme had in any event, to be revised and overhauled in accordance with the recommendations of the Indian Replenishment Committee. This revision has been undertaken and has resulted in considerable alteration of the preliminary allocation of the 150 crores between the different railways. The re-examination is not yet complete, but it is sufficiently advanced to determine the programme to be adopted on the various railway systems for the next year or two. On each railway system an attempt has been made to determine the total amount of additional capital that can profitably be expended, having regard to the probable increase in traffic and net earnings. Under this system proposals for additional facilities have now to be justified by reasonable expectations of increased traffic. Where the existing facilities appear adequate for dealing with the traffic likely to be forthcoming during the period covered by the programme, expenditure is now restricted to works required to maintain the safety of the line, to works which will have the effect of reducing working expenses, and to works for the greater convenience and comfort of passengers, particularly of the 3rd class, on which the Assembly has decided that expenditure is desirable.

Further the Railway Board have now adopted definite standards by which proposals for an increase in rolling stock have to be judged and before accepting them require to be satisfied that the full amount of work is being taken from the existing stock. Similarly definite standards of normal life have been laid down for the various classes of railway stock and equipment, and proposals for renewals have now to be justified with reference to the age of the stock or equipment and to the possibility of retaining it economically in use beyond the period of its normal life. But the revision of the programme in accordance with these arrangements has necessarily occupied a good deal of time, and though they should gradually speed up the work of rehabilitation and secure that money allotted will be spent both fully and economically, they have inevitably retarded progress in the year which has been devoted to their inception.

5. Though of less importance than those explained in the two previous paragraphs, a further cause of the slow rate of expenditure this year both from the Capital and Programme Revenue grants deserves a mention. The inauguration on a large scale of a scheme for rehabilitation and improvement necessarily finds railway administrations without the detailed estimates of projects without which and an allotment of funds work cannot be started; and in the absence of any certainty as to budget provision for Programme Revenue as well as Capital the preparation of such estimates cannot profitably be undertaken, nor can satisfactory arrangements be made for any scheme, the expenditure on which will be spread over a series of years. Consequently a good deal less than half the programme in the current year's budget was for sanctioned works;

for the remainder no estimates were ready. It is partly owing to this difficulty that the sums provided in the budgets of recent years, both for Capital and Programme Revenue, have always been underspent. The aim is in future to make the budget provision largely an estimate of the amount likely to be spent on sanctioned works included in the programme, rather than, as at present, the budget provision itself restricting or determining the amount for which estimates may be prepared.

It is for these reasons that a lapse of 1.70 crores now seems probable in the grant of 9 crores for Programme Revenue and a lapse of 15.03 crores in the Capital grant of 38.64 crores. The lapse in the Capital grant would, in fact, have been greater, since only 19.14 crores are likely to be spent this year on open line facilities; but 4.47 crores are also being spent on lines under construction.

7. In the Budget for 1924-25 provision is made for Capital expenditure of 30 crores. Of this sum 22.83 crores are expected to be required for open line facilities and rolling stock, with a consequent provision of 10.13 crores for Programme Revenue expenditure excluding customs duty charges. The construction of new lines and lines already in progress will require 4.53 crores; and 2.64 crores, or if the anticipated reduction of 2.80 crores in stores balances is added, 5.44 crores remain at present unallocated in the budget to specific purposes. Railway Administrations have already been asked to make arrangements for the preparation of estimates for, and the completion of, approved schemes as expeditiously and economically as possible; and have been assured that, if they require additional funds, they need anticipate no difficulty in obtaining them; but that, if the programme is accelerated, proposals will be laid before the Assembly in due course for any necessary supplementary grant. In view of this and of the fact that there are many schemes now under consideration on which it may be possible to spend money remuneratively in the coming year, both on open lines and on lines under construction, it is considered desirable to keep in hand a fairly substantial unappropriated sum for capital expenditure.

8. The details of the total Capital expenditure on State Railways worked by the State and Companies in each of the three years from 1922-23 to 1924-25 are as follows:—

Items.	Actuals, 1922-23.	1923-24.		Budget, 1924-25.
		Budget	Revised.	
(a) England	£ 9,868,149	19,000,000	10,775,200	11,568,400
(b) India	₹ 9,86,81,493	19,00,00,000	10,77,52,000	11,56,84,000
	₹ 3,37,08,959	10,13,95,000	7,93,34,000	13,42,44,000
(c) Exchange	₹ 13,23,90,452	29,13,95,000	18,70,86,000	24,99,28,000
	₹ 5,19,51,853	9,50,00,000	4,89,78,000	5,00,72,000
	₹ 18,43,42,305	38,63,95,000	23,60,64,000	30,00,00,000

9. The following table compares the allotments made for open lines and lines under construction in 1924-25 with those of previous years:—

[000 omitted.]			
Items.	Actuals, 1922-23.	Revised, 1923-24.	Budget, 1924-25.
	Rs.	Rs.	Rs.
(1) Open Lines including rolling stock	11,17,56	14,15,77	19,97,68
(2) Lines under construction:—			
(a) Started in previous years	2,01,24	4,51,58	2,31,17
(b) Started in current year	5,10	3,51	2,70,43
(3) Exchange	5,19,52	4,89,78	5,00,72
Total	18,43,42	23,60,64	30,00,00

10. The details of the Budget grant for 1924-25 are shown below :—

(In thousands of rupees.)

RAILWAYS.	OPEN LINES.			CONSTRUCTION OF	
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.
STATE RAILWAYS WORKED BY STATE					
1. Aden	45	10	55	...	...
2. Central India Coal Fields	...	...	...	...	50,00
3. Delhi (New Capital) Railway Works Scheme	...	18,99	18,99	...	...
4. Eastern Bengal.	24,31	32,24	56,55	...	...
5. Jodhpur Hyderabad (British Section)	...	2,73	2,73	...	...
6. North Western —					
(i) Main line.	86,19	67,65	1,53,84	...	...
(ii) Frontier Railway Reserve	...	7	7	...	...
(iii) Khyber	...	...	...	19,32	...
7. Oudh and Rohilkhand.	32,62	42,33	74,95	...	...
8. Stores Transactions	...	17	17	...	...
	1,43,57	1,62,23	3,05,85	19,32	50,00
STATE RAILWAYS WORKED BY COMPANIES.					
9. Assam Bengal (open line)—	8,55	18,46	27,01	...	...
(i) Sib-sagar Road—Kharwang	...	...	...	...	13,75
10. Bengal Nagpur —					
(i) Main line	1,08,31	1,35,16	2,43,47	...	...
(ii) Anda Janda	...	...	...	11,94	...
(iii) Bermo Dunoya Section	...	...	...	4,34	...
(iv) South Karanpura Coal Fields	...	...	...	9,73	...
(v) Cuttak T.lehiri Coal Fields	...	...	...	32,78	...
(vi) Hiesla Chandil	...	...	...	51,87	...
11. Bengal and North Western	7,50	7,02	14,52	...	...
12. Bezwada Extension	...	69	69	...	...
13. Bombay, Baroda and Central India.—					
(i) Main line	48,46	1,06,45	1,54,91	...	...
(ii) Dholka Dhandhuka	...	...	...	11,00	...
14. Burma :—					
(i) Main line	15,50	23,68	39,18	...	...
(ii) Extensions	...	1,60	1,60	...	...
(iii) Southern Shan States	...	20	20	...	...
(iv) Bauktaw Tadagale	...	...	...	...	4,00
15. Burma Provincial Railways—Outlay on—to be taken over by Central Government	...	...	...	55,97	...
16. East Indian :—					
(i) Open line	1,52,56	1,37,97	2,90,53	...	...
(ii) Bermo Dunoya Section	...	...	...	3,09	...
(iii) South Karanpura Coal Fields	...	...	...	8,45	...
(iv) Chandrapura Gomoh	...	...	...	7,00	...
17. Great Indian Peninsula :—					
(i) Main line	63,91	1,49,64	2,16,55	...	...
(ii) Agra Delhi Chord	...	1,54	1,54	...	...
(iii) Bhopal State	...	...	...	...	...
(iv) Cawnpore Banda	...	...	...	...	...
(v) Baran Kotah	...	...	...	...	...
(vi) Itarsi Nagpur	...	...	...	5,00	...
(vii) Harbour Branch	...	...	...	6,70	...
(viii) Majri Rajur	...	...	...	3,98	...
18. Madras and Southern Mahratta :—					
(i) Main line	56,65	52,80	1,09,45	...	...
(ii) Guntur Tenali	...	5	5	...	...
(iii) Dhane Kurnool	...	5	5	...	...
19. Rohilkhand and Kumaon	28	—52	—24	...	...
20. South Indian :—					
(i) Main line	20,61	71,77	92,38	...	...
(ii) Tinnevely-Quilon—British Section	...	40	40	...	...
(iii) Do. Indian Section	3,74	52	4,26	...	...
(iv) Coonor-Ootacamund	57	10	67	...	...
(v) Shoranur-Nilambur	...	...	...	...	41,00
(vi) Villuputram-Trichinopoly	...	...	...	...	80,00
(vii) Virudupatti Tenkasi	...	...	...	...	33,00
	4,89,64	7,07,58	11,97,22	2,11,85	1,71,75
	6,33,21	8,69,86	15,03,07	2,31,17	2,21,75
21. Reserve	...	4,94,61	4,94,61	...	48,68
	6,33,21	13,64,47	19,97,68	2,31,17	2,70,43
	...	...	5,00,50	22	...
Exchange					
GRAND TOTAL	...	...	24,98,18	2,31,39	2,70,43

11. The distribution of the 30 crores over open line works, rolling stock and new construction is as follows :—

	Rs.
Open Line facilities	16,50,04
Rolling stock	6,33,21
New construction	4,53,14
Reserve	5,43,29
Suspense	- 2,79,68
Total	30,00,00

12. *Open line facilities.*—The following statement gives the distribution of the proposed expenditure of 16,50,04 among the various classes of open line works :—

	Rs.
(a) Doubling and quadrupling	1,89,03
(b) Improved rails and sleepers	79,81
(c) Strengthening of bridges	65,56
(d) Remodelling of station yards	3,00,35
(e) Additional quarters for staff	1,50,62
(f) Workshops and stores and station buildings	2,20,34
(g) Plant and machinery	2,49,71
(h) Sidings, diversions, links, etc.	56,25
(i) Electrification of lines	1,10,00
(j) Other works	2,28,37
Total	16,50,04

13. (a) *Doubling and quadrupling.*—Some of the more important works are on the Bengal Nagpur Railway, where, in order to improve the capacity of the line for coal and other traffic, it is proposed to spend Rs. 37 lakhs on doubling the Anara Kandra, Chakardharpur-Golkera-Manharpur-Koel Block Hut, Bermo Mohuda, and Tatanagar Khargpur sections. A sum of Rs. 32 lakhs is provided for work on the Grand Chord doubling of the East Indian Railway, Rs. 31 lakhs for quadrupling the Grant Road Borivli Section of the Bombay, Baroda and Central India Railway and Rs. 19 lakhs for doubling the Pyuntaza-Kyungon Section on the Burma Railways. Provision has also been made for an expenditure of Rs. 28 lakhs on the East Indian Railway in laying a second track on the Upper Sone Bridge.

(b) *Improved rails and sleepers* and (c) *Strengthening of bridges.*—The various allotments under these heads are required for improving the existing track and bridges which are on sections where the standard is below that required for modern loads. The rebuilding of Bassein Bridge on the Bombay, Baroda and Central India Railway for which Rs. 14 lakhs have been provided deserves individual mention.

(d) *Remodelling of station yards.*—The remodelling and rearrangement of marshalling yards is in many cases long overdue, and the provision of better marshalling facilities is one of the most urgent necessities for improved traffic services and to reduce delays to wagons in transit. The more important projects for which allotments are made are :—

	Rs. (lakhs).
Parbatipur (Eastern Bengal Railway)	10
Rawalpindi (North-Western Railway)	8
Lyallpur Locomotive Yard (North-Western Railway)	4
Lucknow (Oudh and Rohilkhand Railway)	7½

	Rs. (lakhs).
Tatanagar and several other stations on the Bengal Nagpur Railway consequent on the doubling of several sections	40
Victoria Terminus (Great Indian Peninsula Railway)	22
Poona (Great Indian Peninsula Railway)	12
Nagpur (Great Indian Peninsula Railway)	8
Grant Road Terminal arrangement (Bombay, Baroda and Central India Railway)	27
Ahmedabad (Bombay, Baroda and Central India Railway)	6
Bulsar (Bombay, Baroda and Central India Railway)	5

(e) *Staff quarters*—As was explained last year better housing for railway employees is an urgent necessity in many places. The larger schemes on which expenditure is expected next year occur on the Bengal-Nagpur, East Indian, Great Indian Peninsula and North-Western Railways.

(f) *Workshop and Stores Buildings and (g) Plant and Machinery*.—The more important items under this head are the Trichinopoly workshops on the South Indian Railway for which Rs. 68 lakhs have been entered and the new Locomotive workshops at Lucknow (9½ lakhs).

On many railways the workshop equipment and capacity are inadequate for the timely repairs of locomotives and rolling stock and it is one of the most important parts of the policy of rehabilitation to provide improved machinery and ample workshop space to enable repairs to keep pace with deterioration and damages.

(h) *Electrification of lines*.—The main item under this head is a sum of one crore for the electrification of the Great Indian Peninsula suburban lines. The remaining Rs. 10 lakhs is for work on the electrification of the suburban lines of the Bombay, Baroda and Central India Railway.

(i) and (j) *Sidings diversions and other works*—A provision of Rs 10 lakhs has been made for relaying the Bhagalpur Bausi Railway which was dismantled during the war. Other important classes of work for which grants are allotted are :—

	Rs. (lakhs).
Watering arrangements and water supply on all railways	25
Acquisition and improvement of collieries	66
Electrical installations at important stations	40½
Overbridges at Delisle Road and Dadar Road (Bombay, Baroda and Central India Railway)	7½

14. *Facilities and amenities for 3rd class passengers*.—This important question is receiving the unremitting attention of the Railway Board and of Railway Administrations; and detailed programmes of measures considered necessary were drawn up last year. They had, however to be revised in some respects as a result of the curtailment of the Programme Revenue grant for the current year; and Railway Administrations were instructed to discuss the revised programmes with their local Advisory Committees. Much has been done during the current year, and a liberal provision of Rs. 125 lakhs has been made for such works in the Budget of next year.

15. *Rolling Stock*.—A total sum of Rs 6.33 crores is proposed to be spent on the provision of additional stock and on the improvement of the existing stock. The distribution of this amount between the various items is shown below :—

	Rs. (crores).
Engines	1.17
Coaches	1.97
Wagons	2.28
Miscellaneous . . . . .	.91
TOTAL	6.33

It is anticipated that the railways will be able to place on the line during next year 79 extra engines, 1,098 additional coaches and 3,271 wagons (in terms of four-wheelers).

16. *New Construction*.—The Indian Retrenchment Committee in paragraph 31 of their Report made the following recommendation with regard to the Capital programme of Rs. 150 crores, authorised for the rehabilitation of the railways in India during the five years ending 1926-27 :—

“If the full amount of the Capital cannot immediately be employed on remunerative works on open lines, it would, in our opinion, be a matter for consideration whether some portion of it could not with advantage be devoted to the construction of new lines promising an adequate return.”

It is already clear that the full amount of Rs. 150 crores is not likely to be expended within the quinquennium on rehabilitation and the improvement of existing lines; nor is there at present reason to anticipate difficulty in raising money for new extensions. The Railway Board have accordingly been engaged during the current year in investigating the prospects of all projected railways promising an adequate return; and provision has been made for expenditure on the following new projects during 1924-25 :—

(2) *South Indian Railway*.—For many years it has been recognised that there is a need for considerable railway extension in this part of the country and several projects for the relief of congestion on the existing lines and for the development of new country have been put forward. In 1921 it was decided to appoint a special officer to investigate the question of railway communication in South India. As a result of the consideration of his report, it has been decided, with the concurrence of the Government of Madras and the sanction of the Secretary of State, to undertake and press forward to early completion the projects mentioned below :—

(a) *Villupuram Trichinopoly Chord*.—This line will form an alternative route between Madras and Trichinopoly and will afford such relief to the existing line as will defer the necessity of doubling it for many years. The new chord will also open up and develop new and populous country. The line will be 100 miles in length. It is estimated to cost Rs. 169 lakhs and to give an immediate return on this expenditure of 5·35 per cent. per annum and a return of 8 per cent. per annum after the chord has been opened for 10 years.

(b) *Shoranur Nilambur Railway*.—This extension which is to be constructed on the 5'—6" gauge will run through the heart of the Moplah country. It is one of the most important measures necessary for the reconstruction of Malabar. The line is 41 miles in length and is estimated to cost Rs. 62 lakhs. The return on the capital invested is expected to be in the neighbourhood of 4 per cent. This does not permit of the line being classed as one “promising an adequate return” in the terms of the recommendation in paragraph 31 of the Report of the Indian Retrenchment Committee. But an arrangement has been arrived at with the Government of Madras (who have pressed for the early construction of the line on administrative grounds) under which they will pay to the Government of India the amount by which the gross earnings fall short of the working expenses and a return on the capital sunk in the line, provided that, if the projected railway eventually proves remunerative, the Madras Government will be re-imbursed the amount paid by them towards the loss incurred in the working of the line in the earlier years.

(c) *Virudupatti Tenkasi Railway*.—This line serves the same objects as the Villupuram Trichinopoly Chord. It is 76 miles in length and is estimated to cost Rs. 58 lakhs. It is expected to pay a return of 4½ per cent. per annum

on the capital outlay in the first year after opening and $5\frac{1}{2}$ per cent. after the line has been open for 5 years and local traffic has developed.

(ii) *Central India Coalfields Railways*.—In order to meet the demand for additional coal and to relieve congestion on existing railways, the possibility of opening out new coalfields and building railways to serve them has been under careful consideration. The most promising area for this purpose is that lying between the East Indian and the Bengal Nagpur Railways running westward from the Jherria coalfields as far as Katni in the Central Provinces. In this area prospecting for coal has been going on for some time and it has now been proved that good coal in large quantities is available. It is proposed to provide the following lines of railways to provide outlets towards the north and west of India—

(1) Daltonganj to Hutar	17 miles
(2) Hutar to Hesla	103 „
(3) Hutar to Anuppur	188 „

These lines of railways are estimated to cost Rs. 915 lakhs and to give a return of nearly 7 per cent. on the capital outlay. There is also the advantage that in addition to the direct earnings of the projected lines the reduced cost of transporting coal to the West of India will probably save about Rs. 12 lakhs per annum in the freight bill of the Great Indian Peninsula and Bombay, Baroda and Central India Railways.

(iii) *Sibsagar Road to Khowang*.—The main object of this line is to give easy communication to a prosperous tea growing area and to open up a considerable area of paddy-growing country. The area to be served by the projected line is at present dependent for communication on transport by rivers which are only navigable during the rainy season and on roads which are almost impassable during the rains. The Assam Government strongly advocate the construction of this line which will be 39 miles long. It is estimated to cost Rs. 28.40 lakhs and to give a return of 5.86 per cent. on the capital outlay. It will form an integral part of the Assam Bengal Railway.

(iv) *Bauktaw-Tadagale*.—This railway will form the first section of the Bauktaw Mingaladon Railway, a line about 11 miles in length which the Government of Burma desire to see constructed chiefly on account of the growth of the City of Rangoon. The approximate cost of the Bauktaw-Tadagale section, which is $3\frac{1}{2}$ miles in length, is Rs. 5 lakhs. It is not anticipated that this line will carry much traffic for the first two years after opening but it is expected that the prospects will improve *pari passu* with the development of Rangoon and with a steady influx of population into the area served by the new line. The local Government has undertaken, within certain limits to guarantee the Government of India against loss in the working of the projected Railway.

17. *Lines in Progress*.—Proposals are under consideration for the purchase by the Central Government from the Burma Government of the lines of Railways in Burma constructed from “Rice control profits”. The terms of purchase have not yet been finally settled. It is hoped to arrange the purchase before the end of March 1924 and provision to the extent of Rs. 1,87 lakhs to meet the purchase price has been made in the estimates of the current financial year. In the Budget Estimate of 1924-25 Rs. 56 lakhs have been provided to meet further expenditure on these lines.

The provision for other lines in progress is on a liberal scale in order to ensure the completion of the projects at the earliest possible date.

18. *Receipts, 1923-24.*—The Budget estimate of Gross Traffic Receipts in India for 1923-24 which was fixed at 95,50,00 or 3,50,00 in excess of the Revised estimate for 1922-23 was framed on the assumption of a moderate revival of trade. It also allowed for the increased receipts due to the operation of the enhanced fares during the year and to the earnings of one extra day in February. The Revised estimate for the year is placed at 94,15,00 or 1,35,00 less than the Budget figure. The falling off is due to traffic not coming up to expectations during the autumn months and to interruption of traffic as a result of flood damages to several railways. The approximate amount on this latter account is 40 lakhs.

19. *Receipts, 1924-25.*—The gross receipts in India are estimated at 97,00,00. This provides for an increase of 2,85,00 over the Revised estimate of the current year. It is based on anticipations of normal conditions of trade and a favourable harvest.

20. *Working Expenses, 1923-24.*—The following table compares the figures of the Revised Estimate of 1923-24 with the Budget estimate of that year.

—	Ordinary	Fuel.	Programme Revenue.	TOTAL.	Deduct Non-Budget worked lines.	Suspense.	Net.
Budget, 1923-24 .	49,28,09	8,53,69	9,00,00	66,81,78	3,38,98	— 41,30	63,01,50
Revised, 1923-24	49,09,39	8,54,94	7,29,06	64,94,29	3,50,94	—47,35	60,96,00
Revised Estimate, more (+) less (—) than the Budget .	—18,70	+1,25	—1,70,04	—1,87,49	+11,96	—6,05	—2,05,50

Ordinary Expenses.—The reduction of 18,70 under Ordinary Expenses is the result of savings effected by the retrenchment of expenditure and of slower progress in repairs to rolling stock than was anticipated, offset to some extent by increased expenditure, amounting approximately to 10 lakhs on account of repairs to flood damages.

Fuel.—The figures of the Revised estimate are practically the same as those of the Budget.

Programme Revenue.—The causes of the variation in the figures are explained in detail in paragraphs 2 to 6 of this Memorandum.

21. The Budget estimate of Working Expenses for 1924-25 is placed at 66,43,04 and is distributed as follows :—

Ordinary Expenses (excluding Fuel)	50,25,36
Fuel	8,82,47
Programme Revenue	10,12,86
Total—Working Expenses	69,20,69
<i>Deduct</i> —Working Expenses of non-Budget worked lines	3,55,78
Suspense	22
Reserve including provision to meet customs duty charges and for writing down value of stores	77,99
Total Expenditure	66,43,04

Compared with the Revised estimate there are the following increases :—

Ordinary Expenses	1,15,97
Fuel	27,53
Programme Revenue	2,82,90

The provision of 50,25,36 under Ordinary Expenses compares with the figures of previous periods as follows :—

	Actuals, 1922-23	Revised Estimate, 1923-24	Budget Estimate, 1924-25
(a) General Administration	7,97,74	7,94,41	8,06,03
(b) Ordinary Repairs and Maintenance	16,74,16	16,31,23	16,70,33
(c) Operating Expenses other than Fuel	26,39,78	24,53,75	25,49,00
Total	51,11,68	49,09,39	50,25,36

The increase of nearly Rs. 12 lakhs under "General Administration" is due partly to annual increments to officers and subordinates, and to some extent to the provision for additional appointments rendered obligatory by the opening of new lines and the strengthening of the watch and ward establishments.

The increase of Rs. 39 lakhs over the Revised estimate in the expenditure under the head "Ordinary Repairs and Maintenance" is due to provision for customs duties on imported stores and to increased provision for necessary repairs to rolling stock, way and works.

Under operating expenses other than Fuel, the Budget estimate provides for an increase over the Revised estimate of 65,25. The increase is partly due to the extra staff and stores necessary on account of the increased train-mileage anticipated; partly to staff required on the openings of new extensions; and partly to annual increments in the pay of the train and station staff.

22. *Fuel*.—The provision in the Budget for 'Fuel' is 27,53 over the Revised estimate of the current year. The increase is due partly to enhanced prices which must be paid next year under existing contracts and partly to the increased consumption of fuel with an increased train-mileage.

23. *Surplus profits paid to Companies and the net earnings of the Indian State Railways*.—The increase of 12,65 in the Revised estimate is based on actuals, as the amounts paid during a year depend on the actual net earnings of the previous year. The increase of 3,15 in the Budget estimate for 1924-25 similarly follows the Revised estimate figures for the current year.

24. *Interest charges*.—The excess is explained in the Finance Department's Memorandum.

25. *Subsidized Companies—Government Share of Surplus Profits—Receipts*.—The receipts shown under this head represent the Government share of surplus profits on the Rohilkhand and Kumaon and the Southern Punjab Railways and certain Indian Branch Line Companies. The repayments of advances of interest by the Tinnevely Quilon Railway (Indian State Section) as well as the credits from the sale of land of the subsidized companies are also carried to this head.

The increase of 3 66 in the Revised estimate for 1923-24 is principally due to an increased share of surplus profits from the Southern Punjab Railway.

The Budget for 1924-25 provides for an increase of 2,65 over the Revised estimate and is mainly due to the increase anticipated in the Government share of surplus profits of the Southern Punjab Railway and the Indian Branch Line Companies in the Punjab.

26. *Subsidized Companies Land and Subsidy and Miscellaneous Railway Expenditure changes.*—These consist of the cost of land required by certain railway companies entitled under the terms of their contract to free supply of land and of miscellaneous items, such as the cost of controlling establishments, including the Railway Board. A share of the cost of control is charged to the Working Expenses of each of the Railway Companies and the recoveries thus made are a justed by deduction from the miscellaneous expenditure. The figures relating to this head compare as under :—

Items.	1922-23.	1923-24.		1924-25.
	Actuals.	Budget.	Revised.	Budget.
1. Subsidized Companies Land and Subsidy	9,43	25,90	7,41	16,00
2. Miscellaneous Railway Expenditure	21,00	12,50	16,72	22,45
TOTAL	30,43	38,40	24,13	38,45

27. *Land and Subsidy.*—The Revised estimate shows a decrease of 18,49 on the Budget grant. This is mainly due to the postponement of works on certain railways and delays in land acquisition proceedings. The Budget estimate of 1924-25 provides for an increase of about 9 lakhs over the Revised estimate for 1923-24. The increase is chiefly due to the provision of 1,20 made for land required for the Berhal and North-Western Railway and for the land required for the following Branch Lines :—

Jhari Jhanjail Bagmara	1,62
Bagmara Siju	2,00
Sirhind Rupar	4,00

28. *Miscellaneous Railway Expenditure*—The Revised estimate for 1923-24 provides for an increase of 4,22 over the Budget estimate. Rs. 3 lakhs of this increase is due to pensionary charges in India of railway employes, a charge which has hitherto appeared in the Civil estimates. The remainder of the excess is due to increased provision required for miscellaneous establishments employed under the Railway Board. A substantial increase in expenditure must be expected under this head owing to the more active policy now being pursued in the matter of the investigation of problems directed towards the more efficient and economical working of railways. In regard to the latter, it may be explained that the Railway Board have found it necessary during the course of the year to provide for special establishments to verify and value all the stock of stores held by the East Indian and the Great Indian Peninsula Railways prior to the termination of the existing contracts with these Companies; and for the reduction of stores balances on the North Western Railway. Officers have also been placed on special duty in connection with the inauguration of the scheme for the training of Railway staff, and for the investigation of the whole problem of workshop facilities on the Great Indian Peninsula and Bombay, Baroda and Central India Railways.

The Budget estimate for 1924-25 is 5,73 more than the Revised estimate of the current year distributed as follows:—

Survey expenses	1,37
Establishment of the Railway Board	1,53
Pensionary charges	3,44
Miscellaneous items	—61

The excess under Surveys is due to the policy of undertaking new extensions (*vide* paragraph 14) the increased provision for the establishment of the Railway Board follows the re-organisation of the Board, a matter which is fully dealt with in paragraph 35, and the increased provision on account of pensionary charges is due to the inclusion in the Railway Budget of payments on account of these charges when incurred in England, as well as in India.

General Matters.

29. *Retrenchment of Expenditure.*—The question of retrenchment of expenditure is receiving attention on all Railways in India. One of the visible results of efforts in this direction is a reduction in the number of employes; and two statements are appended (Annexures A and B) which show in full detail what has been effected. It will be seen that during the twelve months to the end of October 1923, the number of subordinate employes has been reduced by 36,368 or 5·3 per cent. and that nearly 50 per cent. of this reduction occurred on the Great Indian Peninsula Railway, which was specially mentioned in the Retrenchment Committee's Report. A small increase has occurred in the number of superior appointments and is due to the accepted necessity for more effective supervision and to the re-organisation of the watch and ward establishments on Railways.

Steps have also been taken during the year on every Railway Administration either through retrenchment committees or through special officers to effect economies under every head. The enquiries into the possibilities of retrenchment have not yet been completed, and it is not therefore possible to give a resumé of their results; but it is intended to supply this information in the next Administration Report. In making these enquiries, Railway Administrations have particularly borne in mind the criticisms made by the Retrenchment Committee. But it is not intended to imply that the process of searching for labour-saving contrivances, and more economic methods of working should ever cease; and the action taken by the different Railway Administrations in particular matters will be reviewed, in order to see whether economies found feasible on one railway cannot equally be introduced on another.

The Railway Board has, during the year, revised the statistics prepared by the Railway Administrations, more particularly in order to ascertain the comparative costs of working under different heads on each railway system in India. It is intended that these statistics should be utilised in order to check the expenditure under various heads and to introduce more economical methods on railways where particular operating ratios are higher than others.

30. *Indianisation* —'The statements referred to in the previous paragraph have been so drawn up as to show the progress secured in obtaining Indians for service on the railways.' It will be seen that the number of Indians in superior appointments rose from 277 to 288; and that though there has been a reduction of 5·2 per cent. in the total number of Indian subordinate employes, the number of such employes on scales of pay rising to Rs. 250 and over has fallen by only 6 compared with a drop of 166 Europeans and 38 Anglo-Indians.

31. *Reduction of Stores balances.*—For some time past the heavy stores balances held by Railways have been the subject of anxious consideration; and in order to effect an improvement the Railway Board held a conference in September last with responsible representatives from Railways. At this conference the whole question of the reduction of balances and the proper accounting of stores receipts and issues was exhaustively examined, and revised instructions calculated to reduce stores balances in a reasonable time to a normal figure have recently been issued by the Railway Board. One important matter in connection with the large stores balances calls for special mention. Owing to the exceptional conditions prevailing during and for some time after the war a large proportion of stores now held in stock are priced in the books at figures materially higher than the current market rates; and a very considerable amount—the exact amount is not yet known—will be required to write their value down. Orders have been issued by the Railway Board that the repricing of all important items of stores should be undertaken at once; and it has been provisionally decided that, in each of the next five years, provision should be made for a debit to revenue on this account of Rs. 30 lakhs per annum. The money will be obtained from the amount carried to Railway reserves. The Railway Board have clearly impressed on the Railway Administrations that this arrangement is special and is designed to clear up the special position following on a period of very high prices and the circumstances of recent years, and that they would not be prepared to adopt this arrangement in the ordinary course of events.

32 Closely connected with the question of the reduction of stores balances generally is the necessity for a proper valuation of the stores actually held in stock by the East Indian and Great Indian Peninsula Railways before the termination of the existing contracts with these Railways. The matter is under investigation by special experienced officers working under the orders of the Railway Board.

33. *Compensation Claims.*—Very large amounts have been paid in recent years on compensation for goods lost and damaged and certain definite measures are now being undertaken to effect an improvement in the situation. Broadly speaking the remedial measures fall under two classes—(1) improvements of existing methods and devices calculated to prevent or reduce to a minimum losses and damages, (2) improvement and acceleration of the methods of investigation and settlement of claims. Among the preventive measures of the first class already undertaken are—(a) arrangements for rivetting wagons, (b) expenditure on the improvement of the lighting and protection of yards, (c) organization of a more efficient watch and ward staff. Under the second class falls more especially enforcement of responsibility for loss and damages on the station and running staff. It is hoped that the close attention that is being given to this subject will result in a substantial reduction of compensation claims.

34. *Reorganisation of the Railway Board*—A scheme for the reorganisation of the Railway Board was undertaken during the year. The reorganisation has been framed on the main principles underlying the report of the Acworth Committee. Briefly these principles are that the Railway Department (Railway Board) should be given such independence in carrying out its work as is compatible with its position as a department of the Government of India and such freedom in shaping and carrying out railway policy as will enable it to treat the railways of India as a property to be developed on commercial lines.

The urgency for the re-organisation undertaken is further emphasised by the decision that the East Indian and the Great Indian Peninsula Railways should be taken under State management at the expiry of their present contracts, since the addition of these two systems to the railways already managed by the Railway Department will inevitably add an appreciable burden to the headquarters administration.

BUDGET FOR 1924-25.

The revised organisation sanctioned compares as follows with that previously in force :—

NEW ORGANISATION.													
No.	Designation.	PRESENT SCALE.			Total.	Average cost.	No.	Designation.	PROPOSED SCALE.			Average cost.	Total.
		Minimum.	Incre- ment.	Maximum.					Minimum m.	Incre- ment.	Maximum.		
1	President	5,000	...	5,000	5,000*	5,000	1	Chief Commissioner of Railways .	6,000	...	6,000	6,000	6,000
2	Members	4,000	...	4,000	4,000	4,000	2	Members	4,000	...	4,000	4,000	8,000
1	Financial Adviser	2,500	...	2,500	2,500	2,500	1	Financial Commissioner	4,000	...	4,000	4,000	4,000
1	Chief Engineer	2,750	125	3,000	2,874	2,874	1	Director of Civil Engineering . .	500	100	3,000	2,748	2,748
1	Chief Mechanical Engineer . .	2,750	125	3,000	2,874	2,874	1	Director of Mechanical Engineering .	2,500	100	3,000	2,748	2,748
							1	Director of Traffic	2,500	100	3,000	2,748	2,748
							1	Director of Establishment	2,500	100	3,000	2,748	2,748
1	Secretary	2,000	100	2,500	2,248	2,248	1	Secretary	2,500	100	2,800	2,649	2,649
1	Joint Secretary	1,800	100	2,000	1,899	1,899	6	Deputy Directors	775	...	1,625	1,427	8,562
4	Assistant Secretaries	775	...	1,625	5,708	1,427			250	Duty allowance			
		250	Duty allowance				1	Assistant Director	525	...	1,225	1,115	1,115
1	Registrar	900	50	1,000	949	949	1	Assistant Secretary	250	D. A.		1,124	1,124
13					32,052		17		1,000	50	1,250		42,412

NOTE 1.—The appointment of Chief Mechanical Engineer was sanctioned on a temporary basis in 1923.

NOTE 2.—The six appointments of Deputy Directors required for the following branches :—
Traffic, Way and Works, Project, Establishment, Statistics and Stores.

NOTE 3.—The extra costs involved in Rs. 10,391 per annum for Rs. 1,24,000 or an am. The complete re-organisation recommended by the Aowath Committee has been estimated by them to involve an additional cost of Rs. 25,000 to Rs. 30,000 per annum. Part of this difference is, however, due to elimination of the control of major ports which the Committee proposed to place under the Chief Commissioner.

* Rs. 6,000 if appointed from outside the official ranks.

The appointment of Chief Commissioner was sanctioned in November 1922 and in accordance with the recommendations of the Acworth Committee, he is solely responsible, under the Government of India, for arriving at decision on technical questions and advising the Government of India on matters of Railway policy. The appointment of Financial Commissioner which was recommended both by the Acworth Committee and the Indian Retrenchment Committee, was made in April 1923 with the sanction of the Secretary of State. The two appointments of Members of the Railway Board have been retained. It has been decided for reasons connected with the present statutory position of the Railway Board, and to avoid confusion with the provisions for a Railway Commission under Chapter V of the Railway Act, to retain the name 'Railway Board' for the headquarters organization of the Railway Department, instead of "Railway Commission" as recommended by the Acworth Committee.

The Railway Board as now constituted consists of the Chief Commissioner as president, the Financial Commissioner and 2 Members. The Acworth Committee proposed that the Indian Railway system should be sub-divided into 3 Territorial Divisions and that a Commissioner should be allocated to each Division. Most careful consideration was given to this recommendation of the Committee, but it was found that it would involve a great deal of overlapping of subjects and duplication of duties, and would also, by interposing another officer between the Railway Department and the Agents, give rise to delays in work and lack of promptness in giving decisions. It has, therefore, been decided to allot the duties of the two Members on the basis of subjects rather than on a territorial basis. This has an incidental advantage in enabling the work to be done by two Members instead of three, as recommended by the Acworth Committee. In view, however of the importance of the question involved, it has been decided to introduce this system tentatively and to consider, after it has been in force for one year, whether it should be retained or altered in favour of a division of work on a territorial basis. The re-organization provides for arrangements to relieve the Chief Commissioner and Members from all but important work by the appointment of responsible Directors at the head of each of the main branches of work, namely, Civil Engineering, Mechanical Engineering, Traffic and Establishment. It is expected that the re-arrangement of the disposal of current work under this organization will free the Chief Commissioner and the Members to devote their attention to larger questions of Railway policy and enable them to tour over the various Railway systems to a greater extent than they have been able to do in the past. By this means they will keep in touch with local Governments, Railway Administrations and public bodies to an extent which will largely meet the principal object of the Acworth Committee in recommending the appointment of Territorial Commissioners. As a general rule it will be possible for either the Chief Commissioner or one of the Members to visit the headquarters of every major local Government and every important Railway Administration at least once a year. Such visits have in effect been carried out during the past year with very beneficial results in the disposal of business.

Two of the four Directors are already in existence in the form of the Chief Engineer and the Chief Mechanical Engineer. Hitherto these officers have been employed mainly in consultative work, but under the re-organization the scope of their duties is being enlarged so as to entrust them with the direct disposal of such matters dealt with in their branches as do not raise large questions of policy.

The present posts of 1 Joint Secretary and 4 Assistant Secretaries are to be replaced by 6 Deputy Directors of similar status and 1 Assistant Director. Of these 1 officer is required to reconstitute the post temporarily discontinued in the Projects branch of the office, as it has been found impossible to carry on the current work relating to projects and open lines with a single Assistant Secretary in view of the very large number of projects which now have to be examined by the Railway Board. The other additional Deputy Director is required for dealing with statistics and the need for a whole-time officer for this subject has been very forcibly brought out by the criticisms to which

former statistics and their use have been subjected both by the Acworth Committee and the Retrenchment Committee. Very considerable progress has already been made in the form of the statistics and their use as an aid to practical railway management during the past year, and the statistics now compiled by the Railway Board are on modern lines and have already proved themselves to be extremely valuable in the improvement of working and reduction of working expenses.

Provision has also been made for an addition to the junior officers in the administration of an Assistant Director, whose duties will be to supervise the Technical branch of the office and the Drawing office, which is becoming of considerable importance in view of the progress which is being made towards standardization in technical matters.

The only other change made in the internal constitution of the office is in the position of the Secretary—a measure which is necessary in view of the very heavy responsibilities which have now devolved upon this officer. It has also been decided to abolish the post of the Registrar and appoint in his place an Assistant Secretary—a measure which is in accordance with what has been done in other Departments.

In order to complete the scheme of re-organisation, the Chief Commissioner of Railways has proposed a very considerable change in the method of dealing with audit and accounting within the Department and within the various Railway Administrations managed by the State and a rearrangement of the duties of Government Inspectors. These proposals are under consideration.

C. D. M. HINDLEY,

Chief Commissioner for Railways.

A. A. L. PARSONS,

Financial Commissioner, Railways.

DELHI :

31st March 1924.

Annexure A.

Statement showing details of the total superior staff employed on State and Companies Railways on 1st November 1922 and on 1st November 1923.

Gazetted Officers and Officers of corresponding status on Companies Railways.

Railway.	Year.	AGENCY.			ENGINEERING.			TRAFFIC.			LOCOMOTIVE.			CARRIAGE AND WAGON.			STORES.			OTHER DEPARTMENTS.			TOTAL.			DECREASE — INCREASE +.			Total.	
		Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
A. B.	1923	3	...	...	19	...	2	11	1	1	10	...	1	Included in Loco-motive.			1	1	...	...	9	1	2	53	2	6	...	...	...	...
	1922	3	...	...	19	...	2	11	1	1	9	...	...	7	...	...	1	1	...	...	8	1	2	51	2	5	...	...	...	...
B. N.	1923	5	1	1	44	3	12	33	2	11	21	...	...	7	...	...	7	...	1	...	23	...	3	143	6	28	...	...	...	...
	1922	4	1	1	46	3	13	33	2	11	23	...	...	6	...	...	7	...	...	...	24	...	4	143	6	29	...	...	...	...
P. and N. W.	1923	2	...	...	24	...	...	15	...	3	5	...	...	Included in Loco-motive.			1	1	...	...	12	...	2	59	...	5	...	...	...	...
	1922	2	...	...	25	...	...	15	...	3	6	...	...	...	...	...	1	...	...	...	13	...	2	62	...	5	...	...	...	...
B. B. and C. I.	1923	6	...	...	46	...	10	34	2	7	18	1	...	8	...	...	7	...	...	...	26	3	5	145	6	22	...	...	...	...
	1922	5	...	...	45	...	9	33	2	6	20	1	...	9	...	...	7	...	...	...	26	3	4	145	6	19	...	...	...	...
Burma	1923	3	1	...	35	4	1	21	2	2	12	...	...	5	...	...	2	1	1	...	12	...	1	90	8	5	...	...	...	...
	1922	3	...	...	34	3	1	22	1	2	12	...	...	4	...	...	2	1	1	...	12	...	...	89	5	6	...	...	...	...
E. B.	1923	4	1	1	23	5	16	26	2	10	20	...	2	Included in Loco-motive.			5	1	1	...	4	2	5	82	11	35	...	...	...	...
	1922	2	1	...	24	5	14	29	2	11	20	...	2	...	...	...	7	1	...	...	3	1	6	85	10	33	...	...	...	...
E. I.	1923	8	...	2	53	1	11	45	9	14	27	...	3	11	1	3	4	1	...	54	3	6	202	15	39	...	...	...	...	...
	1922	8	...	2	51	1	11	41	13	14	27	...	3	11	1	3	4	1	...	52	4	6	194	20	39	...	...	...	...	...
G. I. P.	1923	7	...	...	70	1	10	41	1	17	19	...	...	6	...	...	8	...	...	...	28	1	7	96	8	23	...	...	...	...
	1922	7	...	...	74	1	10	40	3	17	19	...	...	9	...	...	8	...	...	...	29	1	5	201	10	22	...	...	...	...
M. and S. M.	1923	5	...	1	41	1	4	22	2	5	21	...	...	Included in Loco-motive.			5	...	1	21	1	7	115	4	18	...	...	...	...	...
	1922	4	...	1	40	1	3	25	2	5	22	...	...	...	...	...	5	...	1	19	1	7	115	4	17	...	...	...	...	...
N. W.	1923	7	...	3	67	8	39	44	2	16	46	...	...	13	...	...	6	...	2	7	...	8	190	10	68	...	...	...	...	...
	1922	6	...	1	63	8	35	45	2	15	43	...	...	12	...	...	7	...	3	6	...	9	182	12	63	...	...	...	...	...
O. and R.	1923	2	...	...	17	2	11	10	2	9	8	...	...	4	...	...	5	...	1	3	1	4	49	5	25	...	...	...	...	...
	1922	2	...	...	16	2	11	10	2	9	8	...	...	4	...	...	5	...	1	3	...	5	43	4	26	...	...	...	...	...
P. and K.	1923	3	...	...	7	...	...	3	...	...	5	...	...	Included in Loco-motive.			1	1	...	...	3	...	2	22	...	2	...	...	...	...
	1922	3	...	...	8	...	...	2	...	...	3	...	...	...	...	...	1	...	...	...	3	...	1	19	...	1	...	...	...	...
S. I.	1923	2	1	1	32	...	7	21	...	2	14	...	...	Included in Loco-motive.			3	2	...	10	1	2	82	4	12	...	...	...	...	...
	1922	2	1	1	33	...	7	21	...	2	14	...	...	...	...	...	3	2	...	10	1	3	83	4	13	...	...	...	...	...
Total	1923	57	4	9	478	25	123	843	90	86	226	1	6	54	1	3	55	5	7	215	13	54	1,438	79	288	...	...	...	...	...
	1922	50	3	6	478	25	115	842	36	86	226	1	5	55	2	3	59	6	7	208	13	55	1,417	86	277	...	...	...	...	...

The figures under Traffic Department are in the case of the Great Indian Peninsula Railway shown separately for the new Transportation and Commercial Department.

Statement showing details of total subordinate staff employed on

SUBORDINATE DRAWING PAY Rs 250 PER MENSEM AND OVER OR ON SCALE OF PAY RISING TO																				
Railway.	Year	AGENCY.			ENGINEERING			TRAFFIC			LOCOMOTIVE			CARR AND WAGON			STORES			
		Europeans	Anglo-Indians	Indians	Europeans	Anglo-Indians	Indians	Europeans	Anglo-Indians	Indians	Europeans.	Anglo-Indians	Indians	Europeans	Anglo-Indians	Indians	Europeans	Anglo-Indians	Indians	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
A B	1923		1	1	6	6	8	5	12	2	12	13	1	Included in loco	{	1	...
	1922		1	1	5	5	8	5	13	2	11	15	1						1	...
B N	1923	2	.	4	11	29	20	31	78	15	253	193	11	12	21	2	6	5	4	
	1922	3		5	12	29	20	38	86	14	204	173	10	14	20	2	1	4	5	
B. & N. W.	1923	...	1	...	2	18	2	6	7	4	3	4	{	Included in loco	{	1	...
	1922	...	1	.	1	18	2	7	6	3	5	3						1	...	1
B B. & C. I.	1923	1	1	7	17	14	111	51	16	108	207	188	40	28	34	12	1	3	8	
	1922	1	1	8	15	15	111	50	15	106	206	186	38	31	30	12	1	2	9	
Burma	1923	..	6	3	3	28	43	4	27	12	19	74	6	9	11	5	..	...	3
	1922	...	7	3	3	29	45	6	36	12	21	65	7	9	13	5	..	.	3	
E. B.	1923	4	2	3	13	28	39	51	35	19	78	56	9	Included in loco	{	2	5	4
	1922	3	2	4	13	28	34	54	36	19	82	55	9					2	5	4
E. I.	1923	1		6	65	93	79	174	154	34	470	316	10	61	41	8	13	6	5	
	1922	1	..	6	63	97	80	169	168	31	479	264	10	60	40	8	13	8	5	
G. I. P.	1923	3	1	5	47	31	59	370	2	36-C.	71	49	18	44	19	15	6	1	5	
									340	60-T										
	1922	6	...	3	51	35	56	426	409	51-T.	89	51	18	45	25	19	6	1	5	
M. & S. M.	1923	...	1	3	12	24	12	9	15	1	58	80	2	Included in loco	{	...	...	2	2
	1922	...	1	3	13	24	13	9	15	1	59	72	1					2	2	
N. W.	1923	2	..	4	40	41	174	132	65	41	163	77	26	77	64	57	8	6	27	
	1922	2	..	4	48	48	174	155	77	50	162	90	29	78	68	58	9	6	24	
O & R.	1923	1	1	2	12	22	19	35	22	24	19	28	2	16	21	1	2	5	7	
	1922	1	1	1	14	19	22	38	19	30	19	27	1	13	25	1	2	5	7	
R. & K.	1923	..	..	1	...	2	...	...	5	..	1	5	2	1	1	...	...	...	...
	1922	.		1	...	2	.	...	6	...	1	2	1	1	1	...	...	...	...
S. I.	1923		1	3	6	12	2	13	7	14	42	118	15	Included in loco.	{	...	.	...	1
	1922	..	1	3	5	14	2	17	7	14	42	122	20					...	1	
TOTAL	1923	14	15	45	234	348	568	881	795	370	1,396	1,200	145	248	212	100	40	3	66	
	1922	17	15	45	243	358	567	876	800	364	1,448	1,125	149	251	222	105	39	6	65	

ure B.

State and Companies Railways on 1st November 1922 and on 1st November 1923.

Rs 250 PER MENSEM AND OVER						OTHER STAFF			GRAND TOTAL			INCREASE — INCREASE +			PERCENTAGE DECREASE — INCREASE +			REMARKS.
OTHER DEPTS.			TOTAL															
Europeans	Anglo-Indians	Indians	Europeans	Anglo-Indians	Indians	Europeans	Anglo-Indians	Indians	Europeans	Anglo-Indians	Indians	Europeans	Anglo-Indians	Indians	Europeans	Anglo-Indians	Indians	
21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	
.	1	5	23	34	23	14	246	11,291	37	280	11,317	} +1	-40	-720	+28	-125	-60	
	1	5	21	36	23	15	254	12,014	36	320	12,037							
40	55	55	355	381	111	172	805	55,554	527	1,186	55,665	} -11	+52	-1,642	-27	+40	-29	
41	51	49	376	363	105	162	771	57,232	538	1,134	57,307							
13	18	7	24	49	12	39	156	25,826	63	205	25,838	} +3	-5	-914	+50	-24	-34	
11	11	3	24	43	9	36	167	26,743	60	210	26,752							
9	28	93	314	284	379	208	590	68,967	522	871	69,346	} +25	+10	-2,035	+50	+19	-28	
15	27	92	319	276	376	178	588	71,003	497	864	71,879							
2	7	33	37	163	105	6	423	22,218	43	586	22,323	} -3	-4	+434	-65	-07	+20	
2	6	32	41	156	107	5	434	21,782	46	590	21,889							
1	21	36	149	146	110	136	364	45,343	285	510	45,453	} -9	-22	-2,189	-30	+41	-45	
...	19	39	154	145	109	140	387	47,483	294	532	47,592							
75	45	53	859	655	195	415	1,010	1,02,894	1,304	1,665	1,03,089	} -3	-104	-4,534	-02	-59	-42	
76	41	50	861	618	190	446	1,151	1,07,433	1,307	1,769	1,07,623							
16	16	43	57	459	241	344	896	92,548	901	1,355	92,789	} -146	-234	-16,529	-139	-147	-151	
22	16	49	647	544	232	400	1,045	1,09,086	1,047	1,589	1,09,318	} +14	-30	-945	+93	15	-20	
3	12	10	84	132	30	81	1,854	46,875	165	1,986	46,905							
3	12	9	86	124	29	65	1,892	47,821	151	2,016	47,850	} -12	-57	-4,453	-13	-67	-40	
2	3	46	424	256	375	456	540	1,07,034	880	796	1,07,409							
2	3	47	456	287	386	436	566	1,11,476	892	853	1,11,862	} -16	-7	-145	-81	-20	-50	
2	2	8	87	101	63	95	250	27,756	182	351	27,819							
2	1	8	89	97	70	109	261	29,200	198	358	29,270	} -4	-3	+197	-571	-83	+34	
...	1	1	2	14	4	1	19	6,020	3	33	6,024							
.	1	1	5	12	3	2	24	5,824	7	36	5,827	} -10	-93	-951	-91	-73	-30	
1	4	19	62	144	54	38	1,029	30,185	100	1,173	30,299							
	9	29	64	155	69	46	1,111	31,121	110	1,266	31,190	} -171	-537	-26,680	-83	-47	-52	
164	213	408	2,977	2,818	1,702	2,035	8,182	6,42,514	5,012	11,000	6,44,216							
174	201	413	3,143	2,856	1,708	2,040	8,681	6,78,183	5,182	11,537	6,79,826	-36,388						

Appendix I.

Capital Expenditure on State Railways, 1922-23, and Estimated Expenditure on such works in 1923-24 and 1924-25, and to end 1924-25.

RAILWAYS.	To end of 1921-22.	Accounts, 1922-23	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	To end of 1924-25.	REMARKS.
OPEN LINES.	Rs.	Rs	Rs	Rs	Rs.	
State Railways worked by State.						
Aden Railway	12,15,896	7,88,941	1,00,000	76,000	15,80,837	
Delhi (new Capital) Railway Works Scheme	15,41,149	26,34,295	26,21,000	16,99,000	85,45,444	
Eastern Bengal	42,20,32,672	56,08,710	99,89,000	76,03,000	44,52,33,382	
Jodhpur-Hyderabad (British Section)	46,58,876	1,77,201	3,75,000	2,93,000	55,04,077	
North-Western :—						
Commercial	82,01,63,165	1,14,66,715	1,58,88,000	1,98,50,000	86,73,67,880	
Non-Commercial (Strategic)	23,74,27,347	18,85,075	40,68,000	5,90,000	24,39,65,422	
Ordnance and Rohilkhand	29,73,28,717	76,73,468	1,03,12,000	89,54,000	32,42,73,185	
Stores	14,70,406	—4,90,209	78,65,000	68,35,000	1,51,80,197	
Abandoned projects	32,86,316	...	.	...	32,86,316	
TOTAL STATE RAILWAYS WORKED BY STATE	1,78,91,24,544	2,91,99,196	5,12,18,900	4,54,00,000	1,91,49,36,740	

Appendix I—continued.

RAILWAYS.	To end of 1921-22.	Accounts, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	To end of 1924-25.	REMARKS
	Rs.	Rs.	Rs.	Rs.	Rs.	
OPEN LINES.						
State Railways Worked by Com- panies.						
Agra-Delhi Chord	1,51,14,123	— 36,759	46,000	1,54,000	1,52,77,364	
Assam-Bengal	17,93,79,949	5,654	40,000	2,00,000	19,08,25,524	
Baran-Kotah	49,59,801	48,00,921	34,93,000	29,08,000	51,59,057	
Bengal-Nagpur	52,35,23,673	— 744	2,00,000	...	61,15,32,290	
Berwada Extension	13,41,600	3,09,35,617	2,78,05,000	2,92,68,000	15,75,989	
Bhopal	44,84,439	54,389	1,11,000	69,000	46,12,148	
Bombay, Baroda and Central India	53,74,17,358	47,709	80,000	...	65,93,16,659	
Burma	20,97,13,398	2,70,18,301	2,47,15,020	2,01,66,000	23,22,07,565	
Burma Railways Extensions		62,63,722	67,20,000	55,07,000	82,89,700	
Cawnpur-Banda	81,76,425	18,79,436	19,64,000	1,60,000	50,43,328	
Cooch-Betamund	49,23,750	33,275	80,000	...	10,28,342	
Dhone-Kurnool	10,18,342	5,576	47,000	67,000	1,00,88,86,066	
East Indian including South Behar	92,51,74,212	...	5,000	5,000	96,38,81,169	
Great Indian Peninsula Railway System	92,07,35,444	1,60,65,854	3,31,51,000	3,44,95,000	1,61,50,024	
Lucknow-Bareilly	1,39,94,913	37,725	1,08,05,000	3,23,03,000	51,04,06,700	
Madras and Southern Mahratta	43,08,96,363	22,59,106	— 1,71,000	67,000	7,50,000	
Matheran Steam Tramway—Purchase of . . . . .	...	49,88,337	99,23,000	1,51,49,070	24,11,82,508	
South Indian	20,92,35,180	...	7,50,000	...	1,71,27,279	
Southern Shan States (Thezi Aungban)	1,67,53,694	1,19,32,323	80,16,000	1,19,99,000	44,93,126	
Tinnevely Quilon (British Section)	43,72,749	61,535	2,92,000	20,000	1,39,74,200	
Ditto (Indian State Section)	1,92,42,268	34,377	46,000	40,000	8,95,23,159	
Tirhoot Railway and Extensions	8,93,66,908	1,14,992	1,91,000	4,26,000	4,60,12,42,256	
		19,11,251	22,89,000	19,56,000	6,51,61,78,996	
Total State Railways worked by Companies	4,20,73,24,594	10,83,62,662	13,05,98,000	15,49,57,000		
TOTAL OPEN LINES	5,99,64,49,138	13,75,61,888	18,18,11,000	20,03,57,000		

BUDGET FOR 1924-25.

Appendix I—continued.

RAILWAYS.	To end of 1921-22.	Accounts, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	To end of 1924-25.	Sanctioned outlay	Balance remaining unspent.	REMARKS
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
TOTAL OPEN LINES brought forward	5,99,64,49,138	13,75,61,858	18,18,11,000	20,03,57,000	6,51,61,78,906			
LINES UNDER CONSTRUCTION.								
State Railways worked by State.								
Khyber Railway (non-commercial line)	72,12,294	67,26,897	73,79,000	19,54,000	2,32,72,191	1,96,55,820(a)		(a) Revised Estimate amounting to Rs 2,43,34,108 has been submitted to Secretary of State for sanction.
Central India Coal Fields	...	...	...	50,00,000	50,00,000			
State Railways worked by Companies.								
Amra Jamsda	57,80,741	40,42,990	23,41,000	11,94,000	1,33,58,731	1,26,89,107(b)		
Bermo Dungeya Section—								
East Indian Railway share	2,42,581	10,69,842	7,03,000	3,09,000	23,27,423	26,37,771(b)		(b) Revised Estimate under consideration.
Bombay Harbour Railway share	6,86,249	6,56,639	7,98,000	4,34,000	25,74,888	71,97,901(c)		(c) Supplementary estimate is awaited.
Bombay Harbour Branch Extension	48,84,539	20,53,231	7,85,000	6,70,000	83,92,770			
Vizagapatnam Harbour	13,13,651	7,10,357	12,00,000	...	32,24,008			
Itarsi-Nagpur and branch to Pench Valley								
Coalfields	3,00,89,235	8,56,446	45,38,000	5,00,000	3,59,81,681	3,09,83,163(d)		(d) Revised estimate is awaited.
Onsejori Badampahar Branch.	21,45,845	2,84,590	...	...	24,04,435	30,15,595	5,85,160	(e) The project is at present in abeyance.
Parvatipore Singapore Road	3,09,894	11,522	15,000	...	3,36,416	56,47,091(e)	53,10,678	
Majra Rajpur	1,76,564	11,22,378	9,20,000	3,98,000	26,16,942	31,16,831		
South Karanpura coal fields—								
Bengal Nagpur	76,222	2,72,955	11,53,000	9,73,000	24,75,177	31,63,855(b)		
East Indian	6,137	3,19,136	10,92,000	8,45,000	22,62,273	31,08,674(b)		
Dholka-Dhanduka	10,99,976	10,08,323	5,30,000	11,00,000	37,33,305	15,90,684	7,00,684	
Chandrapura Gomoh	...	...	1,90,000	7,00,000	8,90,000	58,26,872	30,26,872	
Virudupati Lentasi	...	...	...	33,00,000	33,00,000	26,91,862	13,41,802	
Khawang Sibasagar	...	...	2,000	13,75,000	13,77,000			
Bankaw Tadagale	...	...	1,00,000	4,00,000	5,00,000			
Vilupuram-Trichinopoly	...	...	9,000	80,00,000	80,09,000	1,69,00,000(f)	1,32,91,000	(f) This is an approximate estimate. Detailed estimates are under preparation.
Talchir coal fields	...	...	37,21,000	32,78,000	78,13,372	80,93,759	7,80,387	
" prospecting survey	...	3,14,372	35,000	51,87,000	1,11,950			
Heala Chandil	...	76,850	11,74,000	41,90,000	36,08,980			
Shoranur-Nilambur	...	2,48,953	50,000	...	41,50,000	62,00,000(g)	31,50,000	(g) Construction estimate is awaited.
South Karanpura prospecting survey	...	...	74,000	...	3,04,110			
Transfer to Central Government of outlay on lines in Burma under construction from Provincial funds	...	2,30,110	...	...		
Total Lines under construction	5,40,23,928	2,00,06,624	1,87,51,000	55,97,000	2,43,48,000			
Savings anticipated	...	...	4,53,61,000	...	16,48,59,552			
Reserve	...	...	1,48,28,000	...	1,48,28,000			
Readjustment of capital outlay in England of Railway Companies at the average rate	94,44,326	45,46,748	...	5,13,29,000	5,43,21,000			
TOTAL	6,05,99,17,392	16,21,09,230	21,25,44,000	30,00,00,000	6,73,45,70,522			

Appendix I—continued.

RAILWAYS.	To end of 1921-22.	Accounts, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	To end of 1924-25.	Sanctioned outlay	Balance remaining unspent.	REMARKS.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Grand Total brought forward	6,05,99,17,392	16,21,09,230	21,25,44,000	30,00,00,000	6,73,45,70,022			
Provincial—								
Jorhat	12,84,186	—5,925	...	...	12,78,211			
United Provinces—Resin distillery	1,72,931	...	...	...	1,72,931			
Burma	54,71,266	59,53,944	...	...	1,14,25,210			
GRAND TOTAL	6,06,63,45,725	16,80,57,249	21,25,44,000	30,00,00,000	6,74,74,46,974			
Distributed as under—								
CAPITAL EXPENDITURE ON RAILWAYS (not charged to Revenue)—								
53. Construction of Railways	4,06,97,27,193	18,43,42,305	23,60,64,000	30,00,00,000	4,79,01,33,498			
Total undischarged liability involved in the purchase by the State of the Capital of the Old Guaranteed Railway Companies.	1,85,05,95,045*	—2,22,33,075*	—2,35,20,000	...	1,80,48,41,970			
CAPITAL EXPENDITURE ON RAILWAYS (charged to Revenue)—								
13. Construction of Railways—								
Central	13,95,95,154	...	...	...	13,95,95,154			
Provincial	69,26,333	59,48,019	...	...	1,28,76,352			
Total as above	6,06,68,45,725	16,80,57,249	21,25,44,000	30,00,00,000	6,74,74,46,974			

Class and name of Railway.	Total initial liabilities.	Debet—			Total undischarged liabilities
		Amount redeemed by annuities	Amount redeemed by sinking fund.		
	Rs.	Rs.	Rs.	Rs.	Rs.
State Railways worked by the State—					
Eastern Bengal Railway	7,38,02,175	92,81,835	45,26,700	5,99,93,640	
North Western Railway	21,01,42,335	2,80,65,630	3,71,80,305	14,48,97,000	
Oudh and Rohilkhand Railway	15,50,40,735	...	...	15,50,40,735	
Total	43,89,85,845	3,73,47,465	4,17,07,005	35,99,31,375	
State Railways worked by the Company—					
Bombay, Baroda and Central India Railway	21,72,08,690	...	...	21,72,08,690	
East Indian Railway	56,26,66,110	9,21,96,810	6,35,28,880	40,71,40,470	
Great Indian Peninsula Railway	71,26,60,020	15,22,39,140	...	56,04,20,880	
Madras and Southern Mahratta Railway	22,44,65,870	2,61,91,170	...	19,82,74,200	
South Indian Railway	8,53,88,355	...	...	8,53,88,355	
Total	1,80,23,95,545	27,06,27,120	6,35,28,880	1,46,84,39,535	
GRAND TOTAL	2,24,13,72,390	30,79,74,585	10,50,35,885	1,82,83,61,970	

* Sterling figures converted at Rs. 15 = 1 £.

Appendix II.

Gross receipts, working expenses, and net receipts of State Railways for five years ending 1922-23, with Revised Estimates for 1923-24 and Budget Estimates for 1924-25.

(Omitting 000, except in Accounts.)

STATE RAILWAYS	ACCOUNTS.					Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
	1918-19.	1919-20.	1920-21.	1921-22	1922-23		
	M.	M.	M.	M.	M.	M.	M.
Open mileage at beginning of year	26,464	26,106	26,580	26,799	26,961	27,162	27,302
Gross Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INDIA.							
STATE RAILWAYS WORKED BY THE STATE.							
Aden	2,00,020	—1,20,109	2,69,839	2,50,523	2,24,626	2,00	2,00
Eastern Bengal	3,82,07,444	4,45,45,072	4,61,08,642	4,42,96,639	5,24,50,532	5,28,00	5,30,00
North Western—							
Commercial Lines	12,46,94,829	12,32,80,625	12,97,73,559	11,34,90,666	12,95,24,443	13,02,77	13,51,80
Non-commercial—(Strategic Lines)	3,29,48,935	3,14,64,244	3,26,48,785	1,64,24,789	1,55,26,235	1,97,23	1,98,20
Oudh and Rohilkhand				3,31,34,469	3,84,02,842	3,74,00	3,60,00
STATE RAILWAYS WORKED BY COMPANIES.							
Assam-Bengal	79,08,099	1,04,20,975	1,02,65,216	85,15,384	1,20,56,460	1,27,00	1,25,00
Bengal-Nagpur	6,19,41,370	6,69,31,392	6,39,37,399	6,67,91,163	7,70,71,210	7,70,00	8,40,00
Bazwada Extension	5,22,461	5,47,023	5,29,330	6,20,598	6,57,214	7,43	7,00
Bombay, Baroda and Central India	9,46,92,452	9,67,12,806	9,94,16,377	10,25,31,934	11,75,19,333	11,90,00	12,00,00
Burma	2,63,70,481	2,97,14,049					
Burma Railway Extensions	25,45,496	27,14,727	3,26,29,019	3,51,73,283	4,06,98,058	4,12,40	4,25,00
Southern Shan States	4,80,827	5,29,400					
East Indian	13,43,96,239	13,25,76,404	13,84,16,068	13,38,37,673	15,55,59,040	16,10,75	17,00,00
Great Indian Peninsula including Indian Midland	11,88,02,697	12,60,42,370	12,79,35,857	12,61,70,645	14,11,38,133		
Agra-Delhi Chord	44,50,953	46,98,873	50,30,667	47,07,855	50,84,396		
Bhopal	11,16,515	11,00,906	12,76,267	12,06,962	12,97,300	14,33,00	14,87,00
Baran-Kotah	1,83,314	1,88,936	1,62,839	1,77,242	2,11,961		
Cawnpore-Banda	3,20,819	3,73,187	3,89,254	4,50,307	4,78,269		
Jodhpur-Hyderabad (British Section)	19,90,444	15,81,739	18,78,972	19,14,178	17,76,091	21,00	21,50
Lucknow-Bareilly	31,54,296	30,02,910	29,81,726	35,02,136	36,82,574	35,97	35,62
Madras and Southern Mahratta Railway	5,42,92,629	5,73,95,956	6,22,45,540	6,55,08,869	7,28,13,554		
Mysore State lines	44,48,501	41,36,445				7,31,07	7,29,77
Dhone-Kurnool	1,48,714	1,76,829	1,83,083	1,85,177	1,89,230		
South Indian	3,58,90,979	4,01,48,113	4,27,06,378	4,59,62,936	5,10,28,796	5,27,50	5,42,20
Tinnevely-Quilon	15,11,462	18,44,513					
Tirhoot	1,09,19,483	1,11,33,060	1,09,91,316	1,20,23,949	1,47,33,311	1,39,88	1,44,85
Exchange . . . . .	...	...	...	...	...	2,19	2,09
Total Central	76,21,39,159	79,01,40,545	80,97,75,233	81,69,27,377	93,22,14,218	94,17,19	97,02,09
India			80,92,89,163	81,64,42,250	93,17,30,856	94,17,19	97,02,09
England	3,08,925	7,29,105	4,86,070	4,85,127	4,83,862	4,83	4,83
TOTAL	76,24,48,384	79,08,69,650	80,97,75,233	81,69,27,377	93,22,14,218	94,22,02	97,06,92

Appendix II—continued.

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Working Expenses.							
INDIA.							
STATE RAILWAYS WORKED BY THE STATE.							
Aden	2,56,014	—48,185	2,16,857	3,24,009	2,87,365	2,44	2,45
Eastern Bengal	2,25,04,170	3,02,66,464	2,98,24,284	3,76,49,787	4,40,77,284	3,33,19	4,20,51
North Western—							
Commercial lines							
Non-commercial—(Strategic Lines.)	6,86,38,796	8,04,83,819	10,09,81,180	10,33,44,038	10,06,98,361	8,82,65	9,51,43
				2,46,08,721	2,22,33,936	2,28,17	2,25,02
Oudh and Rohilkhand	1,32,83,182	1,82,62,800	1,91,62,004	2,58,18,184	2,61,64,731	2,31,46	2,82,82
STATE RAILWAYS WORKED BY COMPANIES.							
Assam-Bengal	62,66,776	84,18,871	83,01,024	84,38,775	92,27,437	91,05	89,53
Bengal-Nagpur	3,03,67,272	3,88,42,829	4,38,60,570	5,33,17,921	4,43,17,322	4,80,01	5,28,81
Bezwa Extension	1,68,179	2,48,211	2,87,307	4,53,144	4,78,560	3,62	4,48
Bombay, Baroda and Central India	4,19,55,223	5,33,70,406	6,76,12,188	7,99,28,942	8,24,16,577	7,29,00	7,76,57
Burma Railways	1,38,97,390	1,62,64,108					
Burma Railway Extensions	14,27,905	17,16,303	2,21,87,533	2,47,26,298	2,43,96,464	2,46,07	2,75,25
Southern Shan States	4,53,119	5,28,640					
East Indian	4,65,18,866	5,88,77,044	7,40,71,007	8,67,40,108	10,01,22,354	9,51,13	9,93,62
Great Indian Peninsula including Indian Midland	6,96,05,881	7,86,59,628	9,87,79,411	11,80,71,791	10,58,31,167		
Agra-Delhi Chord	25,44,969	29,41,579	38,72,250	43,05,257	38,08,140		
Bhopal	6,37,130	6,90,091	9,82,380	11,03,748	9,71,658	9,83,00	10,81,88
Baran-Kotah	91,657	94,468	1,62,889	1,16,928	1,14,479		
Cawnpore-Banda	1,99,214	2,54,308	3,19,083	4,34,314	3,82,129		
Jodhpore-Hyderabad (British Section)	9,37,398	10,00,697	12,48,456	15,13,210	16,43,269	19,50	17,88
Lucknow-Bareilly	18,29,501	16,91,503	19,96,187	17,56,898	20,28,000	21,50	20,89
Madras and Southern Mahratta Railway	2,68,03,903	3,17,82,724	4,17,61,942	4,59,12,876	4,73,98,926	4,43,42	4,97,98
Mysore State lines	22,00,032	22,76,326					
Dhone Kurnool	87,391	1,07,174	1,29,317	1,39,434	1,26,580		
South Indian	1,57,04,971	2,18,16,709	2,56,95,051	3,34,02,156	3,59,08,882	3,33,40	3,28,94
Tinnevely Quilon	7,05,884	11,03,968					
Tirhoot	40,64,400	49,49,391	54,33,297	55,71,764	69,82,504	66,40	67,57
Reserve including provision to meet Customs duty charges and for writing down the value of stores.	...	...	...	...	...	...	77,91
TOTAL CENTRAL	37,06,49,703	45,46,55,861	54,51,37,464	65,66,78,003	65,96,16,125	60,96,00	66,43,04

Appendix II—continued.

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.		
Net Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INDIA.							
STATE RAILWAYS WORKED BY THE STATE.							
Aden Tramway	—55,994	—71,924	52,992	—73,466	62,739	—44	—39
Eastern Bengal	1,57,03,274	1,42,78,618	1,62,84,358	11,881	83,78,208	1,44,81	1,09,49
North-Western—							
Commercial lines				1,01,46,628	2,98,26,082	4,20,12	4,00,37
Non-Commercial—(Strategic Lines)	5,60,56,033	4,28,41,806	2,87,89,079	—81,83,932	—67,07,641	—30,94	—26,82
Oudh and Rohilkhand	1,96,65,753	1,32,01,444	1,31,86,781	73,16,285	1,23,28,111	1,42,54	77,18
STATE RAILWAYS WORKED BY COMPANIES.							
Assam-Bengal	16,41,323	20,02,104	19,64,195	76,609	28,29,023	35,05	35,47
Bengal-Nagpur	3,15,74,098	2,70,88,563	2,00,76,829	1,34,73,242	3,27,53,888	2,90,00	3,11,19
Bezwa Extension	3,54,282	2,98,812	2,42,073	1,67,454	1,78,654	3,81	2,52
Bombay, Baroda and Central India	5,27,37,229	4,33,42,400	3,19,04,239	2,26,02,992	3,51,02,756	4,61,00	4,23,43
Burma Railways	1,24,73,091	1,34,49,941					
Burma Railway Extensions	11,17,591	9,98,424	1,04,41,486	1,04,46,985	1,63,01,594	1,66,33	1,49,75
Southern Shan States	27,708	—240					
East Indian	8,78,77,373	7,36,99,360	6,43,45,061	4,81,47,565	5,54,36,686	6,59,62	7,06,38
Great Indian Peninsula including Indian Midland	4,91,96,836	4,73,82,742	3,11,56,446	80,99,154	3,53,06,966		
Agra-Delhi Chord	19,05,984	17,57,294	11,53,417	4,02,598	12,76,256		
Bhopal	4,79,385	4,10,815	2,93,887	1,03,214	3,25,642	4,55,00	4,05,12
Bikan-Kotah	91,657	24,468	...	60,314	97,482		
Cawnpore-Banda	1,21,605	1,18,879	70,171	15,993	96,140		
Jodhpur-Hyderabad (British Section)	10,53,046	5,81,042	6,30,516	4,00,968	1,32,822	1,50	3,62
Lucknow-Bareilly	18,24,795	13,11,407	9,85,539	17,45,238	16,54,574	14,47	15,23
Madras and Southern Mahratta Railway.	2,74,38,726	2,56,13,232					
Mysore State lines	22,48,469	18,60,119	2,04,83,598	1,95,95,993	2,54,14,628	2,87,65	2,31,79
Dhons-Kurnool	60,823	69,655	52,766	45,743	62,650		
South Indian	2,01,86,008	1,83,31,404	1,70,11,327	1,25,60,750	1,51,19,914	1,94,10	2,13,26
Tinnevely-Quilon	3,05,578	7,40,650					
Tirhoot	68,55,083	61,83,669	55,08,019	64,52,135	77,51,807	73,48	77,28
Reserve including provision to meet customs duty charges and for writing down the value of stores.	...	...	...	...	...	...	77,01
Exchange . . . . .	...	...	...	...	...	2,19	...
Total CENTRAL	39,14,89,756	33,55,84,684	26,46,37,769	16,02,49,374	27,25,98,093	33,21,19	30,...
England	3,08,925	7,29,105	...	...	...	4,88	83
Grand Total	39,17,98,681	33,63,13,789	26,46,37,769	16,02,49,374	27,25,98,093	33,26,07	30,...

Appendix III.

Capital Account of Indian Branch Line Companies.

Railways	ACTUALS, 1923-23		REVISED ESTIMATE, 1923-24.		BUDGET ESTIMATE, 1924-25.	
	Receipts.	Withdrawals.	Receipts.	Withdrawals.	Receipts.	Withdrawals.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ahmadabad-Dholka . . . . .	...	75	...	...	...	...
Ahmedabad-Parantij . . . . .	...	528	...	...	...	...
Amritsar-Pat'i-Kasur	—26,001	13,337	13	24	95	95
Baripada Talhard including Panposh Rai- pura and Maykhanj	21,023	17,903	...	5	57	57
Branch lines under the Bombay, Baroda and Central India Railway . . . . .	...	...	3,52	3,52	1,19	1,19
Central Provinces Railways	12,000	20,522	13	14	20	20
Chaparmukh Silghat	61,589	43,187	15	15	16	16
Guze.at Railways . . . . .	...	—1,05,818	...	...	...	...
Hardwar-Dehra . . . . .	...	75,238	60	60	1,00	1,00
Katakhal-Lala Bazar	2,10,000	5,21,412	...	2,46	2,43	...
Mymensingh-Bhairab Bazar . . . . .	...	...	1,84	1,84	2,03	2,03
Khulna-Bagerhat	8,050	8,53	20	10	15	23
Mandra-Bhaun . . . . .	...	285	4	12	65	65
Pac'ora-Jamner	29,815	22,392	...	9	5	5
Sara-Seraigunj	5,719	7,669	1,87	62	11	1,33
Sialkot-Narawal . . . . .	...	...	...	6	48	13
Tapti-Valley . . . . .	...	43,919	..	...	...	...
Total	3,25,196	6,60,32	8,54	10,03	9,77	8,89
Net receipts or withdrawals	3,43,933	...	1,51	1,08	...

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